

the insular and other outside possessions of the United States ninety days shall be allowed for making such application to the United States court of customs appeals. Such application shall be made by filing in the office of the clerk of said court a concise statement of errors of law and fact complained of, and a copy of said statement shall be served on the collector, or on the importer, owner, consignee, or agent, as the case may be. Thereupon the court shall immediately order the Board of General Appraisers to transmit to said court the record and evidence taken by them, together with the certified statement of the facts involved in the case and their decisions thereon; and all the evidence taken by and before said board shall be competent evidence before said court of customs appeals. The decision of said court of customs appeals shall be final, and such cause shall be remanded to said Board of General Appraisers for further proceedings to be taken in pursuance of such determination.

"Immediately upon the organization of the United States court of customs appeals all cases within the jurisdiction of that court now pending and not submitted for decision in any of the United States circuit courts of appeals, United States circuit, territorial, or district courts, shall, with the record and samples therein, be certified by said courts to said United States court of customs appeals for further proceedings in accordance herewith: *Provided*, That where orders for the taking of further testimony before a referee have been made in any of such cases, the taking of such testimony shall be completed before such certification.

"That in case of a vacancy or the temporary inability or disqualification for any reason of one or two judges of said court of customs appeals, the President of the United States may, upon the request of the presiding judge of said court, designate any qualified United States circuit or district judge or judges to act in his or their place, and such United States judge or judges shall be duly qualified to so act.

"Said United States court of customs appeals shall have power to review any decision or matter within its jurisdiction and may affirm, modify, or reverse the same and remand the case with such orders as may seem to it proper in the premises, which shall be executed accordingly.

"Immediately upon receipt of any record transmitted to said court for determination the clerk thereof shall place the same upon the calendar for hearing and submission; and such calendar shall be called and all cases thereupon submitted, except for good cause shown, at least once every sixty days.

"In addition to the clerk of said court the court may appoint an assistant clerk at a salary of \$2,000 per annum, three stenographic clerks at a salary of \$2,400 per annum each, and one stenographic reporter at a salary of \$2,500 per annum, and a messenger at a salary of \$900 per annum, all payable in equal monthly installments, and all of whom, including the clerk, shall hold office during the pleasure of and perform such duties as are assigned them by the court. Said reporter shall prepare and transmit to the Secretary of the Treasury once a week in time for publication in the Treasury Decisions copies of all decisions rendered to that date by said court, and prepare and transmit, under the direction of said court, at least once a year, reports of said decisions rendered to that date, constituting a volume, which shall be printed by the Treasury Department in such numbers and distributed or sold in such manner as the Secretary of the Treasury shall direct. The United States marshal for the southern district of New York is hereby authorized to purchase, under the direction of the presiding judge, such books, periodicals, and stationery as may be necessary for the use of said court, and such expenditures shall be allowed the marshal in the statement of his accounts with the United States.

"Sec. 30. That there shall be appointed by the President, by and with the advice and consent of the Senate, an Assistant Attorney-General, who shall exercise the functions of his office under the supervision and control of the Attorney-General of the United States, and who shall be paid a salary of \$10,000 per annum; and there shall also be appointed by the Attorney-General of the United States a Deputy Assistant Attorney-General, who shall be paid a salary of \$7,500 per annum, and four attorneys, who shall be paid salaries, one of \$6,000, and the other three of \$5,000 per annum each. Said attorneys shall act under the immediate direction of said Assistant Attorney-General, or, in case of his absence or a vacancy in his office, under the direction of said Deputy Assistant Attorney-General, and said Assistant Attorney-General, Deputy Assistant Attorney-General, and attorneys shall have charge of the interests of the Government in all matters of reappraisal and classification of imported goods and of all litigation incident thereto, and shall represent the Government in all the courts wherein the interests of the Government require such representation."

#### ADJOURNMENT TO MONDAY.

Mr. ALDRICH. I move that when the Senate adjourns today, it adjourn to meet on Monday next.

The motion was agreed to.

#### HOUR OF MEETING.

Mr. ALDRICH. I move that the daily sessions of the Senate on and after Monday next, until further ordered, shall begin at 11 o'clock a. m.

Mr. HEYBURN. I should like to inquire about that. There is a very slim attendance at this time.

Mr. ALDRICH. I think everybody understands it is to be done.

Mr. HEYBURN. They may understand it is to be done—

Mr. ALDRICH. If the Senator raises the point, of course—

Mr. HEYBURN. I shall not be obdurate about it at all. I merely desired to know if it was something that met with general approval. I do not believe in varying the rules of this body. It detracts from its dignity and traditions.

Mr. ALDRICH. It is very evident that if we are to dispose of the tariff bill we must have earlier hours of meeting and later sessions.

Mr. HEYBURN. We have seldom been able to get a quorum here before 12 o'clock when we have met at an earlier hour than that.

Mr. ALDRICH. I shall make the motion Monday.

Mr. HEYBURN. I shall not make any objection.

Mr. ALDRICH. I think Senators understood about the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

Mr. KEAN. I move that the Senate adjourn.

The motion was agreed to, and (at 6 o'clock and 5 minutes p. m.) the Senate adjourned until Monday, May 3, 1909, at 11 o'clock a. m.

## SENATE.

MONDAY, May 3, 1909.

The Senate met at 11 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington, The Vice-President being absent, the President pro tempore took the chair.

The Journal of the proceedings of Friday last was read and approved.

#### PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore presented a petition of certain persons, claiming to be American citizens, imprisoned at Habana, Cuba, praying that certain relief be granted them, which was referred to the Committee on Foreign Relations.

Mr. BRADLEY presented petitions of sundry citizens of Covington, Falmouth, Salt Lick, Neola, Center Point, Gifford, Cleaton, Faubush, Jonesville, Cold Valley, Burgin, Indian Fields, Mount Sterling, Hampton, Newport, and Burnside, all in the State of Kentucky, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. OLIVER presented petitions of sundry citizens of Addison, Pa., praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. GALLINGER presented telegrams in the nature of petitions from Mrs. Rose M. Vontobel, of Lebanon; Mrs. Dwight Hall, of Dover; Mrs. Laura E. Benton, of Manchester; Mabelle Hill True, of Laconia; Jennie T. Gingras, of Laconia; Bessie M. Houghton, of Laconia; and Mrs. George H. Tilton, of Laconia, all in the State of New Hampshire, praying for an increase of the duty on imported hosiery, which were ordered to lie on the table.

Mr. PERKINS presented a joint resolution of the legislature of California, which was referred to the Committee on Pensions and ordered to be printed in the RECORD, as follows:

Senate joint resolution 20.

Adopted in senate March 16, A. D. 1909.

LEWIS A. HILBORN,  
Secretary of the Senate.

Adopted in assembly March 18, A. D. 1909.

Clio LLOYD,  
Chief Clerk of the Assembly.

This resolution was received by the governor this 20th day of March, A. D. 1909.

E. C. COOPER,  
Private Secretary of the Governor.  
STATE OF CALIFORNIA,  
DEPARTMENT OF STATE.

I, C. F. Curry, secretary of the State of California, do hereby certify that I have carefully compared the annexed copy of senate joint resolution No. 20, chapter 37, laws of 1909, with the original now on file in my office, and that the same is a correct transcript thereof and of the whole thereof. Also, that this authentication is in due form and by the proper officer.

Witness my hand and the great seal of state, at office in Sacramento, Cal., the 26th day of April, A. D. 1909.

[SEAL.]  
C. F. CURRY,  
Secretary of State.  
By J. HOESCH, Deputy.

#### Chapter 37.

Senate joint resolution No. 20, relating to a bill in Congress extending pension laws to include the First Battalion Mountaineers, California Volunteers, who served during the late war of the rebellion.

Whereas the officers and privates of the First Battalion Mountaineers, California Volunteers, served during the war of the rebellion against the Indians of the frontier counties; and

Whereas under the provisions of the general pension laws and the several special pension acts said volunteers have always been held entitled to the benefit of said pension laws and have for many years received pensions from the Government for said service during the rebellion, which pensions have been in most cases the only means of support of these old volunteer soldiers; and

Whereas under a recent ruling of the Department of the Interior it has been held that the pension laws do not include the volunteer soldiers who fought during the war of the rebellion against the Indians; and

Whereas there is now pending in the Congress of the United States a bill introduced in the Senate and House of Representatives to extend the provisions of the pension laws to include the officers and privates of the First Battalion Mountaineers, California Volunteers, who served during the late war of the rebellion and were honorably discharged, and to the widows and minor children of such volunteer soldiers: Therefore be it

*Resolved by the senate (the assembly concurring), That our Senators in Congress be instructed and our Members in Congress be requested to use all honorable means to secure the prompt passage by Congress of the bill referred to in the preamble of this resolution.*

W. R. PORTER,  
President of the Senate.  
P. A. STANTON,  
Speaker of the Assembly.

Attest:

C. F. CURRY,  
Secretary of State.

Indorsed: Filed in the office of the secretary of state the 29th day of March, A. D. 1909, at 4 o'clock p. m. C. F. Curry, secretary of state; by J. Hoesch, deputy.

Mr. PERKINS presented petitions of sundry citizens of Stockton, Forest Hill, and Rio Dell, all in the State of California, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

He also presented a memorial of the Chamber of Commerce of Fresno, Cal., remonstrating against a reduction of the duty on petroleum, which was ordered to lie on the table.

Mr. SMITH of Michigan. I present resolutions adopted at a meeting of the Chamber of Commerce of Jackson, Mich., which I ask may be read for the information of the Senate and referred to the Committee on Finance.

There being no objection, the resolutions were read and referred to the Committee on Finance, as follows:

JACKSON CHAMBER OF COMMERCE,  
Jackson, Mich., April 28, 1909.

Hon. WILLIAM ALDEN SMITH,  
United States Senate, Washington, D. C.

DEAR SIR: At a meeting of the Jackson Chamber of Commerce, held April 27, the following resolution was unanimously adopted:

*Resolved*, That this organization heartily favors the conclusions of the conference, held at Detroit, April 23-24, for the betterment of trade relations between this country and Canada, and especially are we committed to the institution of a tariff commission, whose recommendations shall be subject to the sanction or disapproval of Congress, and whose work along nonpartisan and unselfish lines will go far, as we believe, to insure stable business conditions.

*Resolved*, That the secretary be instructed to send a copy of these resolutions to the United States Senators from Michigan, to the chairman of the Finance Committee of the Senate, and the chairman of the Ways and Means Committee of the House.

Conforming with the instructions of the chamber, I have the honor to submit the above resolutions for your consideration, information, and approval.

Yours, truly,

CHARLES E. WHEELER,  
Secretary.

Mr. CULLOM presented a petition of sundry citizens of Bureau County, Ill., praying for the retention of the proposed duty of 1 cent per pound on zinc ore, which was ordered to lie on the table.

Mr. DEPEW presented a petition of sundry merchants and citizens of Walden, N. Y., praying for the retention of the proposed duty on imported knives or erasers, which was ordered to lie on the table.

Mr. CURTIS presented petitions of sundry citizens of Lehigh, Downs, Wellsville, and Admire, all in the State of Kansas, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. PILES presented petitions of sundry citizens of Downs and Ritzville, in the State of Washington, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. FRYE presented the petition of Jacob G. Winckenbaugh, of Waldoboro, Me., praying for a reduction of the duty on raw and refined sugars, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Clinton, Me., praying for a protective duty on carded wool, which was ordered to lie on the table.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SUTHERLAND:

A bill (S. 2261) for the relief of Frederick Blake (with the accompanying papers); to the Committee on Claims.

By Mr. WARREN:

A bill (S. 2262) for the relief of Allen Edward O'Toole and others, who sustained damage by reason of accident at Rock Island Arsenal; to the Committee on Claims.

By Mr. MONEY:

A bill (S. 2263) for the relief of James H. Shannon; to the Committee on Military Affairs.

By Mr. CRANE:

A bill (S. 2264) for the relief of Paul Butler; to the Committee on Claims.

#### ALEXANDER HAMILTON MEMORIAL.

Mr. JOHNSON of North Dakota. I introduce a joint resolution. I ask that it be read and referred to the Committee to Investigate Trespassers upon Indian Lands.

The joint resolution (S. J. R. 32) repealing joint resolution authorizing the selection of a site and the erection of a pedestal for the Alexander Hamilton memorial in Washington, D. C., was read the first time by its title and the second time at length, as follows:

Senate joint resolution 32.

*Resolved*, etc., That public resolution No. 59, being a resolution authorizing the selection of a site and the erection of a pedestal for the Alexander Hamilton memorial in Washington, D. C., approved March 4, 1909, be, and the same hereby is, repealed.

The PRESIDENT pro tempore. What is the request of the Senator from North Dakota?

Mr. JOHNSON of North Dakota. I ask that the joint resolution be referred to the Committee to Investigate Trespassers upon Indian Lands.

The PRESIDENT pro tempore. Without objection, it will be so referred.

Mr. SCOTT. If I heard the reading correctly, I should think that that is the wrong committee.

The PRESIDENT pro tempore. It really ought to go to the Committee on the Library.

Mr. JOHNSON of North Dakota. I hope the Senator from West Virginia will hear me a moment on that point. The joint resolution which it is proposed to repeal came from the Committee on the Library. It passed from the committee, but I find no report from that committee.

This is in the nature of an appeal from that decision. It is in the nature of an attempt to get a change of venue to some other committee. If necessary, I will file some affidavits of prejudice against the previous court in this hearing. I ask that the joint resolution may go to the Committee to Investigate Trespassers upon Indian Lands.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota?

Mr. SCOTT. Let the joint resolution be read.

Mr. GALLINGER. Let it be read again.

The PRESIDENT pro tempore. It will be again read.

The Secretary again read the joint resolution.

Mr. HALE. Such resolutions generally go to the Committee on the Library.

Mr. GALLINGER. That is where it belongs, of course.

The PRESIDENT pro tempore. The Senator from North Dakota asks unanimous consent that it may be referred to the Committee to Investigate Trespassers upon Indian Lands.

Mr. ALDRICH. I suggest to the Senator from North Dakota that the resolution lie on the table. I suppose that he would like to address the Senate on the subject later.

Mr. JOHNSON of North Dakota. I have no objection to that course.

The PRESIDENT pro tempore. The joint resolution will lie on the table.

#### AMENDMENTS TO THE TARIFF BILL.

Mr. SCOTT submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

Mr. CULBERSON submitted two amendments intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which were ordered to lie on the table and be printed.

#### FOREIGN IMPORTS.

Mr. CRAWFORD. I submit a resolution, and ask that it be considered immediately by the Senate.

The resolution (S. Res. 42) was read, as follows:

Senate resolution 42.

*Resolved*, That the Secretary of the Treasury be, and he is hereby, directed to furnish for the information of the Senate at the earliest practicable moment a list of foreign countries, and any political subdivision of either of such foreign countries (except the Philippine Islands), that impose a tariff or other duty or tax against any of the products of the United States, or that lay an export bounty or any other prohibition upon the exportation of any article to the United States, together with the rate of such tariff or other duty or tax so imposed, the rate of any such export bounty, and the nature or rate of any other prohibition so laid against such exportations, with a list of those countries or dependencies which unduly discriminate against the United States or the products thereof.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. ALDRICH. It involves the examination provided to be made by the President of the maximum and minimum provisions reported from the Committee on Finance. It is safe to say that nine months, which is allowed to the President to make this investigation, or I should say ten months, are none too long for it. It would be absolutely impossible for the Sec-



retary of the Treasury at any time within the next year, or certainly within ten months, to make the investigation suggested by the resolution of the Senator from South Dakota. I ask that it may be referred to the Committee on Finance.

Mr. CRAWFORD. Mr. President, do I understand that the information here called for could not be procured, so as to give the information for the benefit of the Senate in considering the administrative features of the tariff bill?

Mr. ALDRICH. I simply suggest to the Senator from South Dakota that it would be a physical impossibility for the Secretary of the Treasury to answer the resolution certainly within nine months.

The PRESIDENT pro tempore. The Senator from Rhode Island moves that the resolution be referred to the Committee on Finance.

The motion was agreed to.

#### RAILROAD RATES IN MISSOURI, ETC.

Mr. WARNER. If the morning business is concluded, I wish to call up Senate resolution 41, which went over.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read Senate resolution 41, submitted by Mr. WARNER on the 30th ultimo, as follows:

#### Senate resolution 41.

Whereas under the provisions of the laws of the United States, it is the duty of railroads engaged in interstate traffic to carry freight and passengers at fair, reasonable, and equal rates, and not to charge or impose upon passengers or shippers of freight charges in excess of amounts sufficient to give to said railroad companies a reasonable return upon the value of their investments, after the payment of operating expenses and the cost of replacement and repair; and

Whereas 18 railroads, including a number of the leading trunk lines of the country, have been recently engaged in litigation with the State of Missouri, for the reasons, as claimed in said suits, that said laws are in violation of the fourteenth amendment to the Federal Constitution in that the rates thereby established do not give to said railroads a reasonable return upon the value of their property used in the conduct of such traffic; and

Whereas from the figures submitted by said railroads in said litigation, a copy of which is attached to this resolution, it is alleged that said railroads are charging, exacting, and receiving in their interstate traffic in the State of Missouri rates unfairly and unreasonably high and more than sufficient in amount to give to said railroads a reasonable return upon the value of their property used in said interstate traffic, after paying operating expenses and cost of repair and replacement; and

Whereas said rates, it is claimed, are being charged and exacted by said railroad companies in violation of the laws of the United States: Therefore be it

Resolved, That the Interstate Commerce Commission be instructed to institute an investigation as to the reasonableness of the rates now being charged by the railroads engaged in interstate traffic in the State of Missouri and in the States contiguous thereto, for the purpose of making such orders as said commission may deem to be right and proper in reference to said rates.

Mr. STONE. Mr. President, I do not know that the passage of the resolution would do any harm to anybody or to any interest, but since its introduction on Friday I have not been able sufficiently to look into the subject to determine what its scope and effect would be; and this for the reason that all of us are greatly occupied with the tariff bill.

Mr. President, some weeks ago I received a letter from the Governor of Missouri, inclosing me a considerable amount of data, which I presume he also sent to my colleague [Mr. WARNER], and upon which, I suppose, this resolution was predicated, with a request that I would present to the Senate some such resolution or proposition as the one pending. I examined as well as I could under the circumstances the tabulations inclosed to me by the governor, made up by experts, as he said, employed in the course of a protracted litigation between the state officials and the railroad companies in the federal court at Kansas City. I found that it would require a good while and very careful study to understand those complicated tabulations and determine what the effect of a movement of this kind would be. I did not feel like bringing in a thing of this kind without understanding its meaning, scope, and effect.

Again, I remembered that, on the motion of the Senator from Maine [Mr. HALE] in the first week of the present session, a special order was entered, which, I think is still standing, to the effect that no business should be transacted at this session except the ordinary routine morning business and business relating to the census and the tariff bills.

And so, when I received the governor's communication, it occurred to me that here was a proposition of considerable magnitude, involving large interests, and that the proposition ought to be well thought out and understood before advancing it. Moreover, I was of the opinion that under the operation of the special order alluded to that even if I should propose a resolution of the character suggested it could not be acted upon at this session. Hence I wrote the governor that in due time I

would take up the subject and look into it, and possibly during the summer would have an opportunity to confer with him regarding it; and that, after looking into it, if it struck me as being a proper thing to do I would take pleasure in taking such steps as the public interests and the rights of all might require at the beginning of the regular session in December.

Mr. President, since the introduction of this resolution—that is, on yesterday and this morning—I have received a large number of communications, in the form of telegrams and otherwise, from important business interests scattered throughout the State regarding this resolution. I hold three telegrams in my hand now, received here in the Senate within this hour. I have had communications from prominent business men connected with the St. Louis Merchants' Exchange and from the president of the Business Men's League of St. Louis, two of the greatest commercial bodies in the State, and from similar bodies in other cities and towns in the State, and from important individual business men scattered all over the State, protesting that the adoption of this resolution would be mischievous and hurtful to business. Most of these communications are in my office rooms, but I have here these three just received at my desk. One is from Pleasant Hill, Mo., and is as follows:

PLEASANT HILL, Mo., May 3, 1909.

Hon. W. J. STONE,  
Senate Chamber, Washington, D. C.:

Most urgently protest against further disturbing Missouri railway rate matters. Undoubtedly same will be of great harm to business interests. McDONALD BROS. PIT SCALE MANUFACTURERS CO.

Here is one from Bunceton:

BUNCETON, Mo., May 3, 1909.

Hon. WILLIAM J. STONE,  
United States Senate, Washington, D. C.:

Continued harassing of railroads of Missouri is especially detrimental to business and stock industry of this section. We earnestly protest against passage of resolution to have Interstate Commerce Commission investigate Missouri rates. Let Supreme Court decide the case.

A. B. KERNS,  
President Commercial Club.

Another is to this effect:

BUNCETON, Mo., May 3, 1909.

Hon. W. J. STONE,  
United States Senate, Washington, D. C.:

Warner resolution to have Interstate Commerce Commission investigate Missouri rates will be detrimental to business interests of Missouri. We earnestly protest against passage.

W. B. KERNS.  
O. H. CRAMER.  
W. E. COLEMAN.  
L. O. NELSON.  
JOSEPH POPPER.

I have had, as I say, a large number of such communications. I doubt if the apprehensions expressed in these dispatches are fully justified.

Still, in view of this situation, Mr. President, I would like to have a little longer time and opportunity to look into the resolution to see whether, in my judgment, it ought to be adopted. The senior Senator from Texas [Mr. CULBERSON] on Friday asked that the resolution might go over, as he desired to look into it. He is not present in the Chamber now. Whatever may be his disposition with regard to it, however, I ask my colleague to allow the resolution to lie on the table for the present. We can take it up, if permissible under the rule, a little later on. I wish a little time to look further into it.

Mr. WARNER. If my colleague will wait a moment, it is true that the senior Senator from Texas did object on Friday, because he was not present when the resolution was read. I submitted the resolution to him, and he advised me that he had no objection, or I should not have called up the resolution in his absence this morning.

Mr. HALE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Maine?

Mr. STONE. I do.

Mr. ELKINS. I should like to say a word about the resolution.

Mr. STONE. I ask that it may lie on the table.

Mr. HALE. The resolution is clearly against the order of business that was established by the Senate. I hope the Senator from Missouri will consent that it may go to the Committee on Interstate Commerce. That will give an opportunity for full examination on the part of the Senator from Missouri [Mr. STONE] and other Senators. I shall be glad myself to have an opportunity to examine it. Under the order established by the Senate all resolutions calling for any action should go to a committee; but until that order is changed no committee, except on the census and on the tariff business, can report any legislation. I ask that the resolution be referred, or, if necessary, I

will move that it be referred to the Committee on Interstate Commerce.

Mr. WARNER. If the Senator from Maine will pardon me a moment, my colleague has asked that it may lie on the table for the present.

Mr. HALE. It will never be in any better condition, but will come up to pester us whenever it is reached. Until the tariff bill is disposed of and the census business disposed of, unless the Senate changes or repeals its order of business, the resolution ought not to be continually appearing here in the morning hour, because it is contrary to the rule established by the Senate. I think I must move that it be referred to the Committee on Interstate Commerce.

Mr. ELKINS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from West Virginia?

Mr. ELKINS. I thought he had concluded. I quite agree with the Senator from Maine. I take it that the resolution is clearly against the order of the Senate. It ought to go directly to the committee, and it ought not to be reappearing here. It was up on Friday, and it is up again to-day. Otherwise a number of us on that committee would feel that we ought to be here all the time in the morning hour to look after the resolution. I think it is quite out of order, and it ought to go to the Committee on Interstate Commerce.

Mr. HALE. I make that motion.

The PRESIDENT pro tempore. The Senator from Maine moves that the resolution be referred to the Committee on Interstate Commerce.

Mr. WARNER. The Senator says it ought to be placed where it will not be continually reappearing. I apprehend when it gets to the Committee on Interstate Commerce there will be no danger of its reappearing.

Mr. HALE. It undoubtedly will not appear at this session.

Mr. ELKINS. That is precisely what I mean. It ought not to be reappearing here during the session unless we change the order of the Senate.

The PRESIDENT pro tempore. The Senator from Maine moves the reference of the resolution to the Committee on Interstate Commerce.

The motion was agreed to.

#### THE TARIFF.

The PRESIDENT pro tempore. The morning business being closed, the calendar is in order. The Chair lays before the Senate the first bill on the calendar.

The bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, was announced as first in order on the calendar, and the Senate, as in Committee of the Whole, resumed its consideration.

Mr. CUMMINS. Mr. President, I desire to give notice that on Thursday, immediately following the routine morning business, I will address the Senate upon the pending bill.

Mr. PILES. Mr. President, it is not my purpose this morning to make any extended argument on the lumber schedule, but there are a few facts that I desire to bring to the attention of the Senate—

Mr. STONE. Mr. President, will the Senator from Washington allow me a moment?

Mr. PILES. I yield to the Senator from Missouri.

Mr. STONE. I desire before the Senator proceeds, if he will grant me the courtesy, to say just a word, not occupying more than four or five minutes.

Mr. President, the Senator from Washington is about to address the Senate on the lumber schedule, as I understand, and because of his experience and knowledge of the subject I have no doubt, and I feel quite confident of the fact, that he will deliver an enlightening address.

There are one or two things that have puzzled and confused me somewhat in regard to this matter, as I know they have other Senators whom I have heard speak in regard to it. Not wishing to unduly interrupt the Senator in the course of his address, for I think such things often break the thread and to some extent weaken the force of an argument, I have prepared four questions in writing which I wish to read and deliver to the Senator at his desk with the hope that at some point in the course of his remarks he will give answer to them, as I am sure he can if any Senator on the floor can do so. The questions are as follows:

Under the existing (Dingley) law the tariff on all grades of imported lumber—rough, partly finished, and finished, but not including manufactures of wood—produces a revenue of about \$1,812,033.12. To produce that revenue let us assume, what is approximately correct, that the present average duty on these imports is about \$2 per thousand feet. If that duty should be

cut in two—that is, reduced to \$1 per thousand feet—manifestly the importations would have to be doubled to produce the same amount of revenue. Now, I ask—

First. To what extent, in the opinion of the Senator from Washington, would imports of Canadian or foreign lumber be increased if the import duty on lumber should be reduced to \$1 flat per thousand feet on all grades, unfinished, partly finished, and finished? and

Second. To what extent, in the opinion of the Senator, would imports of Canadian or foreign lumber be increased if lumber of all these grades or classes should be put on the free list?

Third. If a flat rate of \$1 per thousand feet should be placed on all these grades of imported lumber, what effect would that have on the price of lumber to Americans buying for their own consumption?

Fourth. If all these grades of lumber should be put on the free list, what effect would that have on the price of lumber sold in the States for individual domestic use?

Fifth. The Senator from Minnesota [Mr. NELSON] and the Senator from North Dakota [Mr. McCUMBER] stated, or substantially stated, in their speeches last week that numerous contracts for lumber to be used in Canada had been filled by shipping lumber from the United States into the Dominion, because it could be delivered at given points over there cheaper than Canadian lumber; and the Senator from North Dakota gave a specific case where a firm or corporation in the State of Washington had successfully competed on bids for a contract with the Canadian Pacific Railroad Company for a large amount of lumber needed by that company in railroad construction, and had shipped American-made lumber across the line into British Columbia, over on the Pacific coast, to fill that contract. Moreover, these Senators stated that the Pacific States and British Columbia were sharp rivals and competitors for the lumber export trade to the Orient and to the west coast markets of Central and South America, and that in those foreign markets, where the conditions of trade were absolutely equal, the Americans in 1905 sold 131,000,000 feet as against 41,000,000 feet by the Canadians, and in 1907 the Americans sold 363,000,000 feet as against 67,000,000 feet by the Canadians. Now, I wish to know whether the Senator from Washington admits or denies the accuracy of these statements of fact, and if he admits them to be accurate, then I ask: (a) How is it that the American lumberman can undersell the Canadian in these foreign markets when both compete on equal terms; and (b) how can the American underbid the Canadian on contracts to be filled in Canada itself?

Again, if the American lumberman can do these things, as these distinguished and orthodox Republican Senators say he can and does, then why does he need a protective tariff to shield him against Canadian competition at home?

I will hand this paper to the Senator.

Mr. PILES. Mr. President, permit me to give to the Senators a general understanding of the great industry centering in the forests of the Pacific coast. And while I shall direct my remarks principally to the forests and the lumber industry of the State of Washington, what I say in respect thereto has application also to the States of Oregon, California, and Idaho.

Indeed, while my facts and figures may seem to localize the application of my subject, it has a broader significance than the concerns of those four States; it goes to the interests of vastly more people, living long distances from the Pacific Ocean—the citizens of every State in the Union; of the manufacturing States, which find among our Pacific coast lumber employees a rich market for their products; of the agricultural States, which sell annually millions of dollars' worth of their produce to us; in fact, by reason of the interdependence of one region with another in these days of complex social development, I assert that no citizen of this Nation should view with less than alarm the attempt to strike a blow at one of our national industries, which has become so vital and so large a part in our national prosperity.

But, lest to some these arguments of money and articles of commerce appear as sordid, permit me to say that larger, more important, farther-reaching considerations move me to speak to-day—the desire to lay a basis for honest, real conservation of our forests, by preserving conditions which make possible the only kind of conservation which is practicable. The principle of conservation has grasped the imagination of the American people. I shall undertake in the course of my remarks to set forth a certain means to further the establishment of that principle.

The lumber schedule of the pending bill is as important to the State of Washington as any schedule therein contained can possibly be to the greatest manufacturing State in the Union, because it vitally affects our principal industry. If lumber is



placed on the free list or the duty thereon is reduced, as proposed by this bill, the growth and prosperity of Washington will be retarded to such an extent that I am unwilling to let the subject pass without calling the attention of the Senate to the injustice that threatens my State. I feel that a fair and impartial consideration of the facts will induce the Senate to maintain the existing tariff on lumber, and to increase the duty on shingles from 30 cents to at least 50 cents per thousand.

If the proposed reduction would result in material benefit to the people of the country, an entirely different question would be presented; but, instead of being beneficial, the reduction would be injurious, not alone to those engaged in the business but to the people of the United States as a whole.

It has been urged, first, that by placing lumber on the free list, or by reducing the duty thereon, our forests will be greatly conserved. This is illogical. Let us look at the question in its relation to the forests of Washington. Between the forty-ninth parallel on the north and the Columbia River on the south, the Pacific Ocean on the west and the Cascade range of mountains on the east, stand the giant trees of western Washington, out of one of which it is possible to secure sufficient lumber to construct a comfortable home for an ordinary family.

We have about 200,000,000,000 feet of standing timber in our State, consisting principally of fir, cedar, spruce, hemlock, and western pine. The Douglas fir, ranging from 2 feet to 10 feet in diameter and from 100 to 250 feet in height, is the chief product of the western Washington forests. It is estimated that we have still standing of this timber something like 125,000,000,000 feet.

Our red cedar, ranging from 2½ feet to 20 feet in diameter, is next in importance.

On the east side of the Cascade Range we have about 10,000,000,000 feet of yellow or western pine.

The value of the lumber and shingle industry of the State for the year 1906 was, according to the commissioner of statistics, \$82,000,000.

Accepting the Government's estimates of the value of the forests in the State of Washington at \$1.44 per thousand feet, our standing trees are worth \$300,000,000.

At an average manufacturing price of, say, \$10 per thousand feet, the product of our trees is worth to our people approximately \$2,000,000,000—no mean sum for one of the youngest and most progressive States in the Union.

It is estimated that about 110,000 persons are employed in the lumber business in the State of Washington, receiving wages which aggregate approximately \$60,000,000 a year.

We shall not lightly engage in legislative changes to cut off any portion of this magnificent share of labor in this great industry without reducing by that much the sum total of our American laboring man's ability to uphold our social system and maintain himself as our self-respecting workers should be maintained.

#### CONSERVATION OF A GREAT NATIONAL RESOURCE.

Lumber, Mr. President, is our chief product. The forests to which I have referred are ours, and we are more deeply interested in their conservation than are those who own timber in the Canadian Provinces and who are anxious to ship their foreign manufactured product into our markets free of duty. They seek this privilege upon the theory of conserving our forests. No one of them contends that it will reduce the price of lumber to the consumer.

The forests of Washington should be conserved, but we are of the opinion that we understand their preservation better than those who, for commercial reasons, have worked out a theory of their own for the alleged protection of our forests while they harvest theirs.

It will be conceded by all that in order to conserve a forest the timber in it should be utilized to the greatest possible extent compatible with healthy life and growth. Can this be done with lumber on the free list, or in view of the reduction proposed in this bill? Those who have spent the greater part of their lives in the business, and who have made a careful study of trade conditions, say positively that it can not. I know of none more competent to speak intelligently upon the subject than those who have the lamp of experience to guide them.

To reach an intelligent understanding of forest conservation we must take all factors into consideration. Those who urge the removal or the reduction of the duty in order to cheapen the price of lumber are advocating a policy which would result in a tremendous waste of one of our great natural resources.

Nature did not see fit in her distribution of gold in the mountains to separate it from other metals. She embedded it in quartz, in which are intermingled the baser metals. From these the gold must be separated before it becomes serviceable;

and if in the separating process the baser metals are saved, that much which otherwise would have been lost has been added to our wealth and comfort. Indeed, it is often necessary to save what are called "by-products" in order to make gold mining profitable.

This principle of economics applies with peculiar force to the conservation of our forests, for nature was not more generous when she set the trees to grow than she was in her distribution of gold in the mountainous regions of the country. Seventy per cent of our trees produce low-grade lumber, while only 30 per cent of the product is clear. Unless, therefore, we find a market for our common grades we waste at least 50 per cent of our timber and take that much out of the pockets of our people, and at the same time reduce our timber supply about one-half. This is not only unjust to ourselves, but unfair to the millions who must of necessity use lumber.

While 70 per cent of our product is low grade, it is nevertheless first-class material for the purposes for which it is used. It is for this low-grade product that we must find a market.

#### INCONSISTENCY IN DISCOURAGEMENT OF AMERICAN LABOR.

A great deal has been said by the Senator from North Dakota [Mr. McCUMBER] and the Senator from Minnesota [Mr. NELSON] in respect to the difference in the cost of producing this material in Washington and in British Columbia. I think that I can convince any fair-minded man that it is impossible for the lumbermen in Washington to compete with the British Columbia manufacturers on even terms. There are two principal reasons for this—the lower cost of stumpage across the line in Canada, and the employment there of the cheapest grade of Asiatic laborers. Of the lower cost of stumpage I shall speak later. As to the oriental labor, which free-lumber advocates would bring into direct competition with our American workingmen, permit me to call attention to the policy of this Government in preventing the Orientals from coming here to vitiate the home labor market and inject their peculiar racial characteristics into our body social.

If that policy be sound—and I assume that it is conceded to be sound—then upon what economic theory or according to what doctrine of sociology would Senators justify the bringing here of the essence of that cheap oriental labor, the concrete product of their handiwork, to be thrown into competition with the output of our own citizens?

I desire to emphasize this point, to impress it upon the comprehension of Senators, to advance it as essential in this discussion. The cardinal principle of the Republican doctrine of protection has been to conserve the interests of the man who works with his hands as well as with his head—the laboring man. And I ask again, by what processes of logic shall you justify the bringing into this country of the labor product of a class of people whom our Government in its wisdom has seen fit to exclude, the while we say to the individuals in that class: "You yourselves may not come. You may come in the form of your finished effort; you may compete with our people; you may lower the wage of our workingman; you may compel our laborers to accept less than that which our concept of civilization accords to the producers of our national wealth, but you yourselves may not come."

Again, I would call the attention of Senators to the vitality of this matter; and if anyone questions that the oriental laborer is the mainstay of the British Columbian lumber mills, let him go there and see for himself.

#### CHAMPIONSHIP OF THE CONSUMER A FALLACY.

Much has been said about the high price of lumber to the consumer; but if we stop to analyze this question we shall find that he has no reasonable cause for complaint against the manufacturer of lumber.

I do not contend that the wholesale dealers will not be able to purchase rough lumber cheaper, for a while at least, from the Canadian manufacturers, but I do believe that, in the end, those manufacturing in the Canadian Provinces, and especially after they have disrupted our market, will absorb a considerable portion of whatever difference there may be in the duty; or the Dominion Government or its Provinces may do it themselves. It is easy to understand what this means to one of the principal industries in the United States. It means the loss of several millions of dollars in revenue, the waste of possibly 50 per cent of our forests, restricted labor for our people, lower wages, and stagnation in numerous lines of business, while the price of lumber remains practically the same to the consumer.

Our low grades are now selling at the mills for \$8 per thousand feet. The selling price for the last ten or twelve years, with the exception of 1906 and 1907, has ranged between \$7 and \$9 per thousand feet. The increase in the price during these years was due to the San Francisco and the Valparaiso disasters and the consequent abnormal demand for lumber.

The Senator from Minnesota [Mr. NELSON] or the Senator from North Dakota [Mr. McCUMBER] submitted a table a few days ago showing the prices of white pine lumber in 1902 and 1907 in Michigan and near-by States to be \$30 per thousand. I am not familiar with the prices of lumber in that locality or with that character of lumber, but I do know that no such prices are asked for common lumber on the Pacific coast. I then called attention to the fact that I had a table of prices of one of the Washington mills covering a period of thirteen years—from 1895 to 1909—which showed the average price of all our lumber during the period mentioned to be \$9.38 per thousand. No one can say, in view of mill prices on the north Pacific coast, that our manufacturers have been asking more than a fair return for their product.

The consumer complains of the price of the lumber delivered to him, and he lays all his woes at the door of the manufacturer, but he forgets that the freight charge from Puget Sound to Omaha, for instance, on our heavy common lumber is approximately \$15 per thousand feet, making lumber which we are now selling for \$8 per thousand cost him \$23 plus the profit of the retail dealer. He overlooks the fact that our product has to be transported more than 2,000 miles across the continent and over two ranges of mountains at a freight rate which the Interstate Commerce Commission has found to be fair and reasonable for the service rendered.

It may be unfortunate that our product is so far removed from his market, but he should not forget that we have to pay similar freight rates for the long haul westward on heavy machinery and all products of either farm or factory which we purchase in his market, and which are protected by a tariff duty sufficient to prevent foreign-manufactured products from interfering with his trade. We might buy hay and many other Canadian products if it were not for the duty imposed for the protection of the farmer, but we prefer to patronize the farmers of our own country. We buy vastly more of the products of the Central Western States than we sell to them, and the advantage is therefore with them and against us.

It is said that the combined Provinces of Canada produce no more sawed lumber per year than does the State of Washington; that if their total yearly product should be placed upon our markets it would increase our supply less than 10 per cent, and that such increase would not seriously affect our manufacturers.

#### PLAYING INTO THE HANDS OF THE CANADIANS.

Does anyone believe that if this bill should become a law Canadian production would not increase?

Who was it that came here advocating the removal of the duty on lumber? The men who, confessedly, own timber in the Canadian Provinces. It is well known that a large number of Americans have purchased timber in Canada and that they have been holding it awaiting the removal of the duty that they might construct modern mills and commence the manufacture of lumber on an extensive scale. No one familiar with conditions will seriously contend that the removal of or the reduction in the duty will not greatly stimulate the lumber industry in Canada, and that by augmenting the output there we but play into the hands of the very men denounced as "timber barons." They can not at present afford to construct large mills and engage in extensive operations because they have no market for their low grades. That our market is practically the only one they have for such lumber they admit themselves; that admission is shown in circular 10, which I shall read to the Senate later.

By leaving in the forests those portions of the tree which produce low-grade lumber we involuntarily, but none the less surely, waste about one-half of our product most valuable for the present generation. This, if continued, will result in an increase in the price to the next generation of from 100 to 200 per cent. But waste it we must unless we can find a market for it, for we know that by the law of trade no one can afford to, or will for a considerable period of time, remove a commodity at a loss. We have already discovered that we can best conserve our forests by finding a market for our low-grade lumber, and that we can hasten their waste by destroying or curtailing our market.

#### ELIMINATION OF WASTE; LOGGERS' DISABILITIES.

Our lumbermen contend that the avoidance of waste has been and still is one of the most serious problems with which they have had to deal, but since they have been able to dispose of the low-grade product they have reduced the waste to a minimum.

Up to a few years ago we took from the forest only that portion of its product which could be disposed of profitably. A considerable portion of our timber is thoroughly ripe, and the sooner it is harvested the greater, of course, will be the yield, as ripe timber deteriorates like other products.

Our experienced lumbermen say that the first step in the deterioration of overripe timber begins in the ground in what is known as the "butt cut" of the tree. This cut, in a sound tree, produces the very highest grade of lumber. In trees which have long reached maturity will be found rot, shakes, deposits of pitch, and other defects. I am told that in some instances these defects are very marked; in fact, that the deterioration is so great that frequently it is necessary to leave in the woods what ordinarily is the best cut of the tree, where it becomes a prey to fires, as do the upper cuts when the markets will not justify their removal. We suffer in this respect probably more than any other section of the country, and by reason of a system which is peculiar to the Pacific Northwest.

We have two distinct classes of operators: First, the mill owners, who, to a large extent, own their own timber, and, second, loggers, who operate independent of, and who dispose of their logs to, the mills. The logger relies altogether upon the mills for his market. Therefore in order to make his operation successful he must take from the woods only such logs as have a market value. Where it might be commercially practicable for the sawmill owner to remove a defective "butt cut" from the woods, and, in many cases, the upper cuts, the uncertainties of the marketable lumber to be derived from such cuts make it altogether too expensive for the logger to take them to market and assume the risk of finding a purchaser at a fair price. Under these circumstances the logger is frequently compelled to leave in the woods a large proportion of forest products, and in this respect our forests are subjected to a waste which ordinarily does not obtain in other sections of the country.

When the lumber market weakens and the price is lower for the product, these loggers must procure their entire revenue from sales to a buyer of logs, who, in turn, must procure his revenue from the lumber-consuming public. Immediately, then, when the market for cheaper grades is lowered, the logger begins to safeguard himself—necessarily, too—by producing in his market the choicer portions of the fallen trees, and this operates to produce waste of the less valuable parts of the trees; and this, as I have before observed, causes waste of forest resources by leaving in the woods these cheaper portions of the trees.

We have also scattered throughout our timbered areas a tree which is large in size and of beautiful proportions, known as the "western hemlock." This tree, unfortunately, produces low-grade lumber, and for a number of years it was rarely taken from the woods. We removed the fir, cedar, and spruce, but left the hemlock standing, a prey to storms and forest fires, because it did not pay to remove it.

We have about 25,000,000,000 feet of hemlock still standing in our State, but in the absence of a market for our common grades this stately and beautiful tree, which ranges from 18 inches to 40 inches in diameter, and which grows to a great altitude, must be abandoned to fire and storms. We have so far lost millions of feet of this timber by being compelled to leave it in the woods for lack of a market. It is scantily rooted in the earth, and when deprived of protection from the cedar, fir, and spruce with which it is intermingled it falls an easy victim to the high winds which prevail in the winter season along the North Pacific coast.

#### MARKETING SEVEN-TENTHS OF FOREST PRODUCTS.

The market which we have had in recent years for our low-grade product has been the greatest conservator our forests ever had. Let me give you an apt illustration: We used to cut on an average of two logs from a tree, those that produced the greatest percentage of clear lumber, but with a market for our low grades we cut from four to five—sometimes six—32-foot logs from a tree from which formerly we took but two logs, which made from 2,000 to 2,500 feet of lumber, while, with a market for common grades, we manufacture from 4,000 to 5,000 feet from a tree similar to those which formerly yielded from 2,000 to 2,500 feet of lumber. In other words, instead of getting 30,000 feet per acre, as we formerly did, we are now getting 60,000 feet per acre.

If our market for low-grade lumber is impaired, we shall be forced to leave our hemlock and upper cuts of fir, cedar, and spruce in the woods while the Canadian timber holders usurp the markets which our native woods now supply.

This is what free lumber means. This is what a reduction in tariff means when applied to the conservation of our forests.

I have briefly pointed out the extent and value of our timber areas. British Columbia has practically the same kind of forests, but conditions there are much more favorable to loggers, sawmill men, and manufacturers than they are in the States of the Pacific slope.

If the present duty be removed or reduced, we shall have to meet the British Columbia manufacturer not only in the foreign



markets, where we now successfully compete with him with our high-grade product, but in our domestic markets with our low-grade material. This we shall be unable to do successfully because of more favorable conditions on the Canadian side.

A removal or reduction in the duty would greatly stimulate the output of lumber in all the Canadian Provinces, and especially in British Columbia. Modern mills would be constructed as rapidly as possible, millions of dollars would be invested in enterprises on that side of the line, because they would then have an inviting market in the United States for a class of lumber which they can not now dispose of. This, while working to the advantage of the Dominion, would seriously affect the industries of the United States.

Those familiar with every detail of the business on both sides of the line have given us food for serious thought. They are not theorists, but business men of high standing and of long practical experience. Their testimony is therefore of material value in aiding Congress to solve correctly this much-discussed and much-misunderstood problem.

When I first settled in the State of Washington, about twenty-six years ago, the sound of the ax could be heard along the shores of Puget Sound and the banks of the numerous streams flowing into it. All of that has disappeared. Cities, towns, and villages, mills, factories, farms, and homes have taken the place of trees. Civilization has broken the solitude of the wilderness. And now, owing to the removal of the timber near the shores of the rivers and tidal waters, we are compelled to go back on an average of from 5 to 6 miles from the waterways and railways for our logs. We have in the State of Washington about 1,100 miles of railways devoted exclusively to logging purposes. We have our fleets of steam schooners carrying the product of our mills to California, around the Horn to the Atlantic seaboard, and to practically every maritime nation in the world. We have over \$200,000,000 invested in sawmills, shingle mills, logging railroads, and logging camps; with an army of people looking to them for daily support, and upon the successful conduct of which whole communities are dependent.

The British Columbia manufacturers can ship their product into our domestic markets over the Canadian Pacific and its connecting lines at as low a rate as we can ship from Pacific coast points to interior markets, where 50 per cent of our product is consumed. They can ship by water to California, where 1,200,000,000 feet of Washington and Oregon lumber is annually consumed, for \$1 per thousand less than we can under normal conditions.

I wish to emphasize the fact that the only market of any consequence that Canada has for low-grade lumber is the United States. Owners of timber in Canada are exceedingly anxious to invade this market, because without it their low grades are being wasted in their forests, as ours will be wasted if lumber is placed on the free list or the reduction made in this bill is adhered to.

This is the view of all who are well informed in respect to this question. This is the view of the Canadians themselves, as I shall show a little later.

And yet Senators have seriously proposed to conserve the forests by bringing into existence an economic system which would absolutely insure the waste of at least one-half of the trees which are cut and by turning over to Canadian mill men the market for low-grade lumber.

Mr. BURKETT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. I do.

Mr. BURKETT. Before the Senator leaves that point, I want him to pursue it a little further. What is going to prevent this low-grade lumber being manufactured? Is it the competition in the same grade from Canada or the reduction of the price of what is produced in the United States?

Mr. PILES. Everyone, so far as I have yet heard, has admitted that there will be no reduction in the price to the consumer, so it must be, and will be, from competition with the low-grade lumber of British Columbia and other Canadian Provinces.

Mr. BURKETT. Will the Senator, then, explain how it can be profitable for the Canadian lumber producer to take that out of his forests, manufacture it, and send it over here, more than it would be for the American producer?

Mr. PILES. I am going to explain that. That is just the point at issue.

Mr. BURKETT. I thought the Senator had discontinued the subject.

Mr. CUMMINS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Iowa?

Mr. PILES. I do.

Mr. CUMMINS. The Senator from Washington says that the timber in Washington is worth \$2 per thousand in the woods?

Mr. PILES. Yes.

Mr. CUMMINS. What makes it worth \$2 a thousand?

Mr. PILES. I shall discuss that question later on.

Mr. CUMMINS. If there was less profit, would it not be possible that it would not be worth quite so much in the forests?

Mr. PILES. I will reach that question a little later on.

CANADIAN ADVANTAGES; AMERICAN DISADVANTAGES.

In the State of Washington, one entering the sawmill business in the interior must buy sufficient standing timber to supply his mills for from ten to fifteen years ahead; he can not go into the open market and buy his logs as some mills do at tidewater. In addition he must invest something like \$100,000 in building and equipping his mills. He will buy, probably, from \$250,000 to \$500,000 worth of timber, and when he is prepared to begin operations he will have put into his enterprise a very large sum of money, and acquired property carrying, without possible insurance, very high risk of destruction.

On the Canadian side, however, he need only build his mills. He need buy no timber lands. He need only sign leases of a duration of twenty-one years and renewable, paying the small sum of \$140 per annum for each 640 acres. That will be his tax.

In Washington, the mill man owning his lands, or anyone owning them, if they are accessible, will pay \$1 per acre per year, or a total of \$640 for 640 acres—\$640 tax in the State of Washington against \$140 in Canada.

Mr. CARTER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Montana?

Mr. PILES. I do.

Mr. CARTER. Mr. President, the Senator's proposition, as stated, would imply that by paying \$140 per section as an annual price for the lease, the owner of a mill in Canada could thereupon cut the timber without additional charge; and I think it is due to him to say that, in addition to the amount paid for the lease, he is required to pay so much for stumpage as the timber is cut.

Mr. PILES. I intend going into that in detail later.

Mr. NELSON. The Canadian mill owner has to pay 50 cents a thousand, in addition, for stumpage.

Mr. PILES. I am going to get to that. He may hold that timber lease for twenty-one years by paying the paltry sum of \$140 per annum for 640 acres of land.

Mr. President, we now come to the next proposition. When we go into our forests and buy our timber we must pay for it outright; we must pay the full purchase price, or secure that price and pay interest upon it, and we must pay for everything that stands in the forest, whereas in British Columbia, if the lessee from the government concludes that it is prudent to undertake the manufacture of his lumber or the sale of his logs, he cuts his logs, transports them to market, and pays the government 50 cents per thousand feet, board measure, for only that portion of the tree which he takes out of the forest. We must pay for it all, whether we take it or not. He may take the butt cut and leave every other cut in the forest, for it does not cost him a penny to leave it there. I ask any fair-minded Senator whether or not, under those conditions, we are meeting the manufacturer of British Columbia on equal terms.

LIFE SPAN OF A LUMBERING ENTERPRISE.

Mr. BEVERIDGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Indiana?

Mr. PILES. I yield to the Senator from Indiana.

Mr. BEVERIDGE. I understood the Senator from Washington to say a moment ago that when a lumberman in Washington went into the lumber business he had to buy enough timber land to last him for fifteen years. Is that correct?

Mr. PILES. In an interior mill, but not in a mill situated on Puget Sound, for instance.

Mr. BEVERIDGE. But as to that interior mill, that is correct?

Mr. PILES. That is correct.

Mr. BEVERIDGE. I wondered what the Senator meant by the expression "enough to last him for fifteen years." What does he mean by that?

Mr. PILES. I mean enough to keep his mill running for ten or fifteen years.

Mr. BEVERIDGE. That is to say that when the mill has been running for fifteen years it will have cut down, destroyed, and finished up all of the timber the mill owner had bought. Is that correct?

Mr. PILES. I did not say he would cut down and destroy any timber.

Mr. BEVERIDGE. I meant to say "disposed of." The Senator said "at the end of fifteen years." So that at the end of fifteen years that forest would be exhausted?

Mr. PILES. Exactly.

Mr. BEVERIDGE. Then I do not see how the forests would be conserved.

Mr. PILES. Of course, if the Senator wants those trees to stand out there, beckoning the stars, for a thousand years, we can not conserve the forests according to his ideas.

Mr. BEVERIDGE. I am not at all anxious to have the trees beckoning to the stars; but I understood the Senator from Washington to be demonstrating that we would conserve our forests; and I supposed he was going on to say that we would cut down such trees as could be from time to time properly cut. That was the reason I was struck by his statement that the lumberman who went into business had to buy stumpage enough to last him for fifteen years; but now the Senator says that that means what I thought perhaps it did not mean—that at the end of fifteen years that forest is exhausted.

Mr. FLINT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from California?

Mr. PILES. Certainly.

Mr. FLINT. I simply want to state to the Senator from Indiana, in answer to his question, that, as I understand lumbering in the mountains, before one can expend the money necessary to put up a mill he must have timber sufficient for ten or fifteen years, and the very thing that the Senator speaks of is done in the mountains of the West. All of the timber is not cut, and that is why they require such an amount of timber. They simply cut the timber that is ripe and suitable for lumber, leaving the young trees and the trees that will grow to make a future supply of timber standing in the mountains.

Mr. BEVERIDGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Indiana?

Mr. PILES. I want to answer the Senator before we get too far, but I will yield.

Mr. BEVERIDGE. I will say, while it is on my mind, in comment upon what the Senator from California [Mr. FLINT] has said, that it did not work that way in the State of Wisconsin, where I have seen hundreds of square miles of land, formerly covered by magnificent forests, burned and disfigured by stumps and brush. It did not work that way in Colorado, where about six years ago I saw two mountains—and I referred to that two years ago upon this floor—once covered with splendid forests, but now stripped bare as the walls of the Senate Chamber. It did not work that way in the State of California in my limited observation, where I saw trees being cut down that had taken a thousand years to grow, and all of them cut down in a particular place. It did not work that way in certain sections of Michigan where I have been.

The Senator from Minnesota [Mr. NELSON] says that it did not work that way in Minnesota, where the splendid growth of trees has now been swept from the face of the earth; and according to the statement of the Senator from Washington, that the forest tracts at the end of fifteen years would be exhausted, and the owner of a sawmill has to buy enough to last him that long, it does not work that way. I do not understand that lumbering, as now practiced in this country, involves scientific forest conservation such as exists in Germany. I have never been able to see—and I have listened with a great deal of interest—any demonstration or even the foundation of a demonstration that unrestricted lumbering conserves the growth of trees. I think the theory that cutting down trees would make them grow faster is not altogether safe.

Mr. PILES. The Senator evidently misunderstands me.

Mr. BEVERIDGE. I hope I do.

Mr. PILES. I have not yet said that cutting down trees is conserving the forests. It is perfectly clear to me that when the Senator talks about cutting down a certain portion of the trees and preserving another portion he does not understand the forests of the Pacific coast, and I am satisfied that many other Senators do not understand them. To say that one could go into the forests of the Pacific coast and cut down and remove ripe trees, for instance, and leave the other trees standing uninjured is simply an absurdity. It is impossible for us to adopt the German system or any system by which a tree may be removed here and there. Our trees grow to too great proportions and too close together for that, and besides the logging cost would be prohibitive.

Mr. President, a man might conceal himself in the forests of Washington for a lifetime, if he had food enough to sustain

himself, and no man on earth could find him. The officers of the law have attempted to find escaped criminals out in the forests of Washington and absolutely failed. The only recourse is to starve them out.

Mr. BEVERIDGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Indiana?

Mr. PILES. I yield.

Mr. BEVERIDGE. I think the Senator has very clearly demonstrated that he was correct when he said that at the end of fifteen years the product of the forest would be practically exhausted. I did not suppose, of course, that in the giant forests of the West scientific forestry as practiced in Germany, where they do conserve the forests by cutting down a ripe tree and planting another in its place, could be practiced; and the Senator shows clearly that that is true. Thus, it seems to me—I am sorry that it is true—but it seems to me the theory falls to the ground; and it has always seemed to me purely a theory that the cutting of the forest conserves the forest.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Utah?

Mr. PILES. I should like to answer the Senator's question.

#### REFORESTATION AND PRICES TO CONSUMERS.

Mr. SMOOT. I will take but a moment. In answer to the question of the Senator from Indiana, I will say that in the past, where Wisconsin, Indiana, and the States mentioned by the Senator have been stripped of their forests, it was on account of timber itself being very low in price, and consequently a great deal of the timber never was taken care of. Not only that, but the price of it did not justify the people in reforesting the land. But to-day it seems to me that conditions are entirely different. The price of timber is to-day so high that it would justify a man in commencing to reforest his land. That is one reason why I think that with the holdings of timber to-day by the great private corporations the price of it will be so high, or is so high, that in the future the timber in these holdings will be conserved as much as possible; and when cut they will reforest, and new timber will grow. That is the policy of reforestation here in this country.

Mr. BEVERIDGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Indiana?

Mr. PILES. I do.

Mr. BEVERIDGE. Then the Senator admits—of course he must logically admit—that the retention of the tariff upon lumber does keep up its price to the consumer, and that the keeping up of the price is the only reason why the forests can be conserved by this process?

Mr. SMOOT. There is another question to be taken into consideration there. If our timber goes on being cut as it has been in the past and being destroyed as rapidly as it has been in the past, then when it is destroyed the price of timber will not be as it is to-day, a moderate price, but it will be a price greater, perhaps, than in any other country in the world. That is one reason why I say that the price of lumber should be maintained at such a figure as that it will at least allow reforestation to be possible.

Mr. BEVERIDGE. Then the Senator must follow his own logic one step further, and declare that when the time comes that we have exhausted all our forests in the West, as we have in the Northwestern States, and have no more to sell, the price of lumber will go higher than ever and we will be paying that price to Canada or some other producer.

Mr. PILES. I hope the Senator will allow me to proceed.

Mr. BEVERIDGE. I beg the Senator's pardon.

Mr. SIMMONS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. PILES. I yield to the Senator.

Mr. SIMMONS. I desire to say to the Senator from Washington that the situation seems to be very different in the South from what he has described it as being on the Pacific coast. In the South we have a splendid reproducing land.

Mr. PILES. So have we.

Mr. SIMMONS. We sell our pine timber under a contract by which the lumberman agrees that he will not cut below 12 inches in diameter. If he cuts according to that contract with any degree of care—and the owners of timber require now that he cut with great care—in fifteen or twenty years you can get almost as good a cutting on that land as you did originally; and that process will go on indefinitely.

Mr. PILES. Mr. President, in Washington we do not think of cutting down little trees, little saplings, such as the Senator from Minnesota [Mr. NELSON] spoke of the other day. The



trees that are brought to our mills are very large. If we do not manufacture them into lumber our business will be greatly depressed and thousands of men thrown out of employment. Why should this privilege be denied to us? Why should all the burdens of future generations be thrown upon the people living in the timbered areas? Why should it be said that farm products may be removed every year, but those who pioneered the western coast, those who made it what it is, shall not participate in the general prosperity which comes to our people when manufacturing and disposing of the greatest product we have on the coast?

#### MENACE TO LABOR AND CAPITAL.

Upon what theory of right does the Senator contend that the million people in the State of Washington, for instance, should stand idly by and watch the forests grow, not for their benefit, but for the benefit of future generations, while they suffer themselves?

Why should 110,000 men in that State be thrown out of employment, to walk the streets, instead of being permitted to work? Why should the commerce and the business of the people of the Pacific coast be crippled or destroyed that trees may grow for future generations? How would the Senator from North Dakota [Mr. McCUMBER] feel if I should say to him that the agricultural lands of his State are not yielding quite so much per acre in wheat as they formerly yielded; that his lands should remain idle for a number of years so that they might have rest and produce more wheat per acre later on, and in the meantime we should remove the tariff on wheat, oats, and barley, and let Canada dispose of her cereals on the American markets now tributary to Minnesota and North and South Dakota? What would the Senator say to that? Would he say that I should vote for a law that would force such a proposition upon the farmers of North Dakota while Canada pours her wheat and oats into our markets? Certainly not. But he in effect asserts that the people of the State of Washington should let their forests stand, when we have \$200,000,000 invested in our mills, and that those mills should remain idle or that their output should be reduced, while Canada comes into this country and usurps our markets.

#### EXHAUSTION OF CANADIAN TIMBER.

Mr. GALLINGER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. PILES. I do.

Mr. GALLINGER. The Senator from North Dakota in his speech the other day stated, and to-day he has repeated it, that lumber will not be reproduced under a hundred years, and possibly a thousand years. Is it not a fact that if the forests are reasonably conserved, allowing the smallest trees to remain—say of the circumference of 12 inches—they will be reproduced in twenty-five or thirty years?

Mr. PILES. There is no doubt of that.

Mr. McCUMBER. Does the Senator mean to say that those trees, which will average probably over a hundred years old—and I think they will average nearly five hundred years in age—which they are cutting to-day in the State of Washington can be reproduced in twenty-five years?

Mr. PILES. Not at all; I have not said that. I say this, however—

Mr. McCUMBER. You can reproduce something in twenty-five years, of course?

Mr. PILES. I have seen in the forests of Washington trees from 2 to 3 feet in diameter which men who had lived there for fifty years told me they had seen grow up in the forests.

Mr. GALLINGER. Of course the Senator will understand that I did not mean to say that the great trees of California or the great trees of the Puget Sound can be reproduced in twenty-five years.

Mr. PILES. Certainly not.

Mr. GALLINGER. But that marketable timber can be reproduced, and that then, conserving the smaller trees again, we will have a continuance of the forests and of the lumber supply.

Mr. President, the Senator will permit me just one other word.

Mr. PILES. Certainly.

Mr. GALLINGER. A good deal has been said and will be said about reducing the price to the American consumer if we have free lumber. The Senator from North Dakota admitted the other day that Canada had only 14 or 15 per cent as much timber as there is in the United States.

Mr. McCUMBER. The Senator was in error. I made the correction right there. I referred to her proportion of the west-

ern section, as compared with the western section of this country. It is about a third to a half, I think.

Mr. GALLINGER. It is a fact that she probably has not more than a third as much timber as there is in the United States. So we could not expect to have our timber supply conserved a great many years if we took all the timber Canada has, and Canada will not allow us to do that.

As to the decrease in price, Mr. Charlton, whom some of us know, is a very distinguished man in Canada, but a New Yorker by birth, who has been a member of the Canadian parliament for a great many years, having become a naturalized Canadian, in a speech a while ago said this, and I want to call attention to this utterance of a very distinguished Canadian; it is very brief. He said:

What do you suppose the Canadian farmer and miner and lumberman desire free trade with the United States for? In order to sell in the American market for the Canadian price? Not at all. That wouldn't do them any good, would it? What they want is the privilege of selling in the American market for the American price, and putting the difference in their own pockets.

That is precisely what will result. There will be no decrease in the price of lumber if we get free trade with Canada. The minute she gets an opportunity she will put an export duty on her lumber or take possession of our markets and increase the price, and the consumer will not be any better off; and the Canadians understand that perfectly well. I have talked with some of their foremost men, and what they want is to come into our market with their products and sell them at the American price and put the money in their own pockets.

#### TARIFF APPLICATION AND CONSERVATION.

Mr. BEVERIDGE. I wish to ask the Senator from New Hampshire a question. If the price remains the same in any event, why have any tariff at all?

Mr. GALLINGER. Oh, I think that explains itself.

Mr. PILES. I will explain that later.

Mr. FLINT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from California?

Mr. PILES. Certainly.

Mr. FLINT. The Senator from Washington has stated that in Washington—and it is true in the northern part of California and, I think, in Oregon in a great many places—when they cut their logs in those mountains—the large trees—they cut off practically all the timber. The Senator from Indiana then went on to say that there was no conservation of the forests such as there is in Germany. But, as a matter of fact, in many of the ranges in California and, I think, in other parts of the West they are now cutting the timber on private ownership the same as it is done under the regulations within the forest reserves, and, as I stated a minute ago, the forests in those mountains will be continuous forests, and each year they will cut from those forests, and it will not be the cutting of all the timber in any one year or at any one time.

Mr. BEVERIDGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Indiana?

Mr. PILES. I yield to the Senator from Indiana.

Mr. BEVERIDGE. If that is true—and of course I must believe it is, since the Senator says so—the tariff has nothing to do with the conservation of these particular forests one way or the other.

Mr. FLINT. The Senator is very much mistaken.

Mr. BEVERIDGE. Why?

Mr. FLINT. The Senator from Washington made that clear. What they are cutting in and what are coming from Canada are the very low grades of timber, and it will be impossible for our people to market or cut the low grades of timber in the mountains of California, Washington, and Oregon if the cheap lumber comes in from Canada.

Mr. SMITH of Michigan. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Michigan?

Mr. PILES. Certainly.

Mr. SMITH of Michigan. Apropos of the discussion regarding the length of the lives of trees, it may be interesting to give the view of the Forestry Department upon the subject. It is stated by an expert in the Forestry Department that a pine tree attains 700 years as a maximum length of life; 425 years were the allotted span of the silver fir; the larch lived 275 years; the red beech, 245; the aspen, 210; the birch, 200; the ash, 170; the elder, 145; and the elm, 130. The heart of the oak begins to rot at about the age of 300 years. Of the holly, it is said that there is a specimen 410 years old near Aschaffenburg, Germany.

I think at this point, when there is so much discussion about the life of the tree, that that expert knowledge may be of interest.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Utah?

Mr. PILES. Certainly.

Mr. SMOOT. The Senator from Michigan has spoken of the life of certain trees. But that does not answer the question as to what is the proper time for cutting the trees.

Mr. SMITH of Michigan. No; I did not pretend to go into that.

Mr. SMOOT. Because a tree that goes over a hundred years old—I mean any kind of a tree—from that time on the growth is very, very small, indeed.

Mr. SMITH of Michigan. I did not pretend to cover that question. I am well aware that trees are cut whenever they are ready and at almost any age and time.

Mr. PAGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Vermont?

Mr. PILES. I do.

#### STUMPAGE PRICES AND TIMBER PRESERVATION.

Mr. PAGE. I should like to ask the Senator from Washington if it is not true that where the trees are as close together as he has explained they are in Washington, the growth is very slow. For instance, I think it is true that a tree may be only 10 or 12 inches in diameter, and still be fifty, or sixty, or seventy, or perhaps a hundred years old, but when you cut out, thin off, the trees the growth becomes several times as fast. I know it is a fact that in my State our lumbermen are coming to cut out the larger trees, knowing that the trees they leave will, within twenty or twenty-five years, become large enough so that the lumberman goes over the ground the second time.

Mr. PILES. There is no question about it.

Mr. PAGE. That conservation has begun only within the last twenty to twenty-five years, and because of the high price of stumpage. My judgment is that if the price of stumpage was reduced to what it was ten years ago they would continue to slaughter the trees ruthlessly as they used to do.

But in our State they are now going into the matter of conservation very closely. Our State at the last session of its legislature appointed a forestry commissioner, who looks after these matters, and we are beginning to reforest by planting the smaller pines, and I know that the whole practice in our State has changed. Now, we are looking after the conservation of the forests in a manner that we did not at all ten years ago, and now our best lumbermen are all doing it.

Mr. PERKINS. Mr. President, one word.

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from California?

Mr. PILES. I do.

Mr. PERKINS. To the literature of the lives of trees which the Senator from Michigan has just read to the Senate I may add that the *gigantea sequoia* of California is 6,000 years old; but nevertheless, in the very forests adjoining the *gigantea sequoia*, private parties are setting out and cultivating the Australian gum tree, the eucalyptus tree, which reaches 3 feet in diameter in fifteen years. That would be 9 feet in circumference. Private parties are cultivating those trees for profit alone, and within ten or fifteen years they are in the market as timber.

Mr. PILES. Mr. President, I tried to make plain to the Senator from Indiana what I meant by conserving the forests in removing our timber. It is true that a man to open up an interior mill must buy timber enough to last ten or fifteen years in order to justify the mill investment. Whether he buys that timber for his mill or not makes little difference, as some one will bring it to market, or a portion of it, and waste another portion if there be no market for the low grades. We do not waste our timber by cutting it. We manufacture it to answer the needs of men. But if there be no market for our low-grade lumber, the man who has timber enough to last him ten or fifteen years of demand for all grades will cut it in from five to seven years. That is the difference, because in getting the higher grades he will go over the same area and he will leave the low-grade cuts or logs in the forests. That is all there is about it. Our forests are best conserved when we have a market for the low grades, and that is true conservation.

Mr. CUMMINS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Iowa?

Mr. PILES. Certainly.

Mr. CUMMINS. Before you pass to the question of labor, I should like to know the total output of lumber in the State of Washington last year.

Mr. PILES. Something over 3,000,000,000 feet.

Mr. CUMMINS. Where was it marketed?

Mr. PILES. I am going to get to that later on, if the Senator will pardon me.

Mr. CUMMINS. Very well.

Mr. PILES. I think I have shown conclusively—

Mr. CRAWFORD. Before you go to another point, will you permit me?

Mr. PILES. Certainly. I yield to the Senator.

Mr. CRAWFORD. In your talk, and I noticed in that of those who pursue the same line of argument, you claim that the removal of the tariff would cause a waste in the cheaper grades of lumber.

Mr. PILES. It would undoubtedly.

Mr. CRAWFORD. Upon what do you base the claim—upon the experience during the period when the tariff was off lumber, or is it simply prophecy that you make?

Mr. PILES. I base that upon the testimony of men who have been engaged in this business all their lives and on my own personal observation. Twenty-six years of my life have been spent on the Pacific coast. I have had occasion many times to wander through those forests and into our logging camps, and I have seen log after log left in the forests, which we could not remove, because we had no market for them.

Mr. CRAWFORD. What I am getting at is, upon what do you base your claim that the removal of the tariff would have that effect?

#### WATER FREIGHTS AND OUR MERCHANT MARINE.

Mr. PILES. I think I have shown conclusively that the British Columbia manufacturer has an advantage over the people on the Pacific coast in the price of stumpage. I come now to another proposition, and that is the difference in freight on the forest products of British Columbia and those of the Pacific coast States, which is to become a vital factor in the contest that is to be waged between the manufacturers of British Columbia and those in the States of the Pacific slope when the Panama Canal shall be completed. Washington and Oregon sell in the California market, for instance, about 1,200,000,000 feet of lumber every year. A manufacturer in British Columbia can ship by water into the California market at \$1 a thousand cheaper than we can under ordinary conditions. Why is this? It is because we are prohibited by law from using foreign ships in the coastwise trade, while foreign vessels can be chartered to carry lumber from British Columbia to California for a dollar less per thousand than we can charter an American vessel to carry it to California ports.

There are, Mr. President, over 500 American vessels on the Pacific coast prepared to carry lumber. Do the advocates of free lumber realize that they are urging a policy which strikes not only at the laboring masses in the mills and forests, but also at our ships and sailors on the sea?

We pay our American seamen \$40 per month, and board, in the coastwise trade, which amounts to about \$55 per month. Chinese seamen are paid from \$8 to \$10 per month and board themselves. Japanese get about the same. Seamen on British craft get from \$15 to \$18 per month. It is well to know that it costs 33½ per cent more to construct a ship here than in foreign countries.

Water competition is not serious now, because the tariff of \$2 per thousand protects us very largely in the California market, but upon the completion of the canal we shall have a serious problem to solve. We hope, upon the opening of the canal, to place our lumber in the markets of the Atlantic seaboard at a much less rate than that paid for the rail haul across the mountains, and thereby reduce the cost to the consumer. All hope in that respect would be dispelled with lumber on the free list or the duty reduced to \$1 per thousand. Instead of employing our 500 ships and our 11,000 sailors in carrying American products to American markets through an American canal, Orientals will manufacture a foreign product, Orientals will man foreign ships, and those ships will carry this foreign product to our markets, to the detriment of our labor, our mills, and our merchant marine.

We have long known the necessity of strengthening our merchant marine. Members of Congress have made efforts to encourage it, but failed. It has been left to take care of itself in competition with subsidized ships. It has made some progress, but it is now proposed not only to arrest that progress but to strike it a blow, in an indirect way, from which it will take it many years to recover. This question is too serious to be passed over lightly. It is worthy of profound consideration.

Now I come to the Senator's statement that the difference in cost of production between British Columbia and Washington is not material. The Senator from North Dakota offered a table here the other day, submitted by a manufacturer in the



mountainous regions of British Columbia, found on page 3097 of the tariff hearings, whereby he undertook to show that the cost of production there is greater than it is in the State of Washington.

Mr. JONES. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to his colleague?

Mr. PILES. I yield to my colleague.

CANADA'S PATERNALISM CANADIANS' GAIN.

Mr. JONES. Before he goes to another point, I suggest one other proposition with reference to the difference of conditions on this side and on the Canadian side, with reference to the expense our people are put to, showing that it is greater here than on the Canadian side. The man who owns the timber on our side runs the risk of having it destroyed by fire, while on the Canadian side the government owns the land, and of course if fire goes through it, it is the government's loss.

Mr. PILES. We have seen that the British Columbia royalty is 50 cents a thousand; that the American manufacturer in the interior must buy his timber; he can not depend upon the log market for his supply. Therefore, in addition to investing from \$250,000 to \$500,000 in his timber, he must also pay the taxes upon that timber. He must also take the risk of fire and storm loss; and the fire loss at times has been exceedingly great.

I have myself seen the time on Puget Sound when the forest fires were raging fiercely and the atmosphere was so charged with smoke that it was difficult for a vessel to navigate safely that great inland sea. I have seen smoke so dense in the streets of Seattle that it was hard for one to recognize another across the street. So this element of fire which we must assume on the American side constitutes no risk upon the part of the manufacturer or the license holder in British Columbia, because the government carries it for him. All he does is to pay \$140 a year. If the timber is destroyed, he pays nothing additional.

Mr. McCUMBER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from North Dakota?

Mr. PILES. I do.

Mr. McCUMBER. I wish to ask the Senator if the \$140 which is paid in addition in British Columbia is not an equivalent to what the Senator would think would be a fair price for protection on this side?

Mr. PILES. The price he pays for what? I did not understand the Senator.

Mr. McCUMBER. For fire protection on this side. Would the risk amount to more than \$140 a section a year?

Mr. PILES. Certainly; that would not cover it. Millions of feet of timber have been lost in our State. One hundred and forty dollars per annum for 640 acres of land would be nothing in comparison with the loss sustained.

Mr. BURKETT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. Certainly.

LOG PURCHASES NOT TYPICAL OF PRICES.

Mr. BURKETT. There is one question which the Senator debated several times upon—the question of the stumpage of 50 cents. What is the Senator going to do with this statement in the House Hearings, page 3070?

In the month of August I visited a mill at Kewatin, on Lake of the Woods, in the Province of Ontario, which was operating upon logs upon which the royalty to the provincial government was from \$6 to \$7.50 per thousand, and so has it been for many years.

The other statement, on page 2880, is in the evidence of a man with reference to his own mill. He says:

Our logs at the Red Deer mill, where we are sawing spruce exclusively, cost us at the mill \$7 per thousand. Our stumpage at this mill, together with the royalties paid to the Canadian government, costs us about \$3 per thousand. At the Elk mill, where we saw cedar, fir, and spruce, our logs cost us \$6 per thousand. Our stumpage at this mill, together with the royalties paid to the government, costs us \$1.50 per thousand. Our cost of manufacturing, including the cost of surfacing, piling, loading, selling, insurance, interest, and taxes, at each point is about the same, viz, \$5 per thousand.

Mr. PILES. He is talking about the price of logs. That is not the question of stumpage alone, the way the Senator read it. I am not familiar, of course, with that section of Canada.

Mr. BURKETT. These are his very words—that the royalty and finishing run it up to \$6 and \$7.50 per thousand.

Mr. PILES. It may be that in that section of the country they would pay from \$6 to \$6.50—whatever the figure is; but it is not for stumpage. There is no contention that stumpage in Canada, unless it be white pine, could be \$6 or \$7 a thousand. But the royalty that the witness referred to pays the Canadian government is only 50 cents per thousand.

Mr. BURKETT. You can call it stumpage, or you can call it royalty, or you can call it whatever you have a mind to; it costs them that much money. The Senator's side of the question has been repeating constantly that all it costs a man is to go there and pay his \$140.

Mr. PILES. In British Columbia.

Mr. BURKETT. And that he pays 50 cents a thousand for logs. Here is a statement where he says that it costs him from \$6 to \$7.50 a thousand.

Mr. PILES. I said nothing about logs selling for 50 cents a thousand. I said stumpage in British Columbia sells for 50 cents a thousand. The Senator does not contend that that is in the Province of British Columbia. That has relation to eastern Canada. I am directing my remarks as to the conditions on the Pacific coast. British Columbia is our competitor. British Columbia wants to get into our markets.

Let us consider that statement for a moment. Here is eastern Canada, for instance the Georgian Bay district, whose manufacturers can enter the markets of the Lakes at a freight rate of \$1.75 a thousand. They can enter Cleveland, Buffalo, all the distributing centers on the Great Lakes, at \$1.75 a thousand. Add to this the duty of \$2, and it costs the Georgian Bay manufacturer \$3.75 per thousand feet to get into the markets on the Great Lakes.

And yet some one has said that this does not affect the South, because the South can not enter those markets on account of freight rates. But the South does enter those markets in competition with Canadian lumber. It costs the South, however, from \$5 to \$7.50 per thousand freight to enter the markets of the Lakes against a combined freight and duty rate of \$3.75 in favor of Canada.

If the \$2 duty be taken off, it makes it only the harder for the South to contend with her competitor, for then the Canadian manufacturer can enter his lumber in those markets for \$1.75 per thousand. Is this fair to an American product, to American labor, whether it be white or black? But that is not all. You make the Canadian manufacturer a present of the \$2 duty on every thousand feet of lumber he ships into those markets. If this is not true, what becomes of the \$2 remitted?

ARGUMENT NOT IN THE OPEN.

Mr. BURKETT. Will the Senator let me read one more paragraph from Victoria, in British Columbia?

Mr. PILES. I shall be glad to have the Senator read it.

Mr. BURKETT. This is the report of a lumberman, found on page 3090 of the hearings. In answer to the question as to the approximate difference between the prices of logs in British Columbia and Puget Sound points, he answers, "about the same at all times."

Mr. PILES. I will come to that man's testimony. That is a British Columbia mill, is it not?

Mr. BURKETT. Mr. B. F. Graham.

Mr. PILES. Of the Victoria Lumber Company. I intend to reach that statement. I wish to direct the attention of the Senate to the table which the Senator from North Dakota submitted here a few days ago, showing that a mill in the intermountain region of British Columbia was paying more to produce a thousand feet of lumber than a mill in the State of Washington. He does not name the mill. This is one of those instances of the British Columbia manufacturer undertaking to show that he is producing lumber on his side at a greater cost than a Washington mill, and he declines to give the name of the Washington mill. Look at the statement on page 3097 of the House record, and you will find that the difference is made up principally in the cost of administration. He says, for instance, that it cost him \$3.17 to administer and it cost us \$1.73 in the particular mill the name of which he would not give. What does he know of the cost of administration in an unknown mill? I presume he guessed at it. He might as well have said it cost him \$10 per thousand to administer and the unnamed mill \$2.

AMERICAN LABOR'S REASONABLE PROTEST.

Now, I come to the question of oriental labor—the difference in the cost of labor in the States of the Pacific slope and in British Columbia. In this connection I will ask the Secretary to read a telegram which I received a few days ago. A great deal has been said about the "timber barons" wanting to retain the duty on lumber; that the laboring people have no interest in it. Here is a telegram from the secretary of the Washington Federation of Labor. We shall see what the laboring people think about it.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

Senator SAMUEL H. PILES,

Washington, D. C.:

Twenty-five thousand organized workmen in State of Washington vigorously protest against reduction of tariff on lumber. We do not want our wages reduced.

TACOMA, WASH., April 27, 1909.

CHAS. PERRY TAYLOR,

Secretary Washington Federation of Labor.

Mr. PILES. That, Mr. President, expresses the opinion of those who work in the woods and in the mills. That telegram, Mr. President, voices the view of the men who toil in competition with a product made in a foreign land with cheap labor. They have been protesting against that, not only with their voices but with their votes, for many years, and that protest will not cease until every vestige of such competition shall be removed from this country.

Now, what is the difference in the wages? Let me ask the Senator who denies that there is a difference in the cost of oriental labor in British Columbia and white labor in the State of Washington, why did Congress pass a law excluding the Chinese from our shores? It was not because we had any prejudice against them as a people or their country. We had no personal grievance against them. It was because they work in our own country for less than our people can or will. It was because they do not live as our people live. It was because the greedy employed them in place of white labor at a less wage. And yet British Columbia manufacturers have been here endeavoring to convince this Congress that while they employ Asiatics, there is no practical difference in the wage or the result.

Why is it, Mr. President, that we now protest against Japanese laborers coming into this country? Why is it that the two Governments are endeavoring to arrange amicably to keep Japanese laborers out of this country? It is not because we have any feeling against them. It is because they work for less than the wage for which our own people can work. If they do not work in British Columbia cheaper than the white men work, and if it is not more economical to use their labor, why is it that British Columbia manufacturers employ them in the face of the protests of the white men of their own country?

I turn now to some of the statements submitted by British Columbia manufacturers to the Ways and Means Committee of the House. That committee propounded certain interrogatories to the different manufacturers in British Columbia. Here is one of their statements—I am reading from paragraph 5, on page 3092. The question propounded was this:

Considering results, how does oriental compare with white labor? Is it cheaper or more expensive?—Oriental labor is better than the tramp white labor, but good, steady white men will do a good deal more than Orientals. In our experience, while wages to Orientals are cheaper, the final results do not show a gain by employing Orientals.

Note the skillful manner in which that statement is worded. They are compelled to admit that Oriental labor is cheaper, but they say "in our experience the final results do not show a gain by employing Orientals." Neither do they show a loss. If they do, why do not they say so?

BRITISH COLUMBIAN VERSUS AMERICAN LOGS.

I proceed to the next paragraph:

VII. If you can, give the approximate difference between prices of cedar and fir logs in British Columbia and Puget Sound points at the present time and also in normal times.

They answer:

Prices of logs depend largely upon local conditions, but should say the average for a year would show the cost of logs on this side about 10 per cent cheaper than on Puget Sound, but if demand for lumber is heavy in British Columbia, price is nearly equal.

They dare not say, in view of well-known facts, that it is equal, but they admit, putting it in the most conservative form, that logs can be bought 10 per cent cheaper on the British Columbia side than on the Washington side. That is to say, if logs cost us \$10 a thousand in Washington or Oregon we can buy them in British Columbia for \$9 a thousand. Here, then, is a difference of \$1 a thousand, according to their own showing. Mr. President, why should there not be that difference when one buys his timber for 50 cents a thousand and pays for only that portion of the tree that he takes out of the forest? Why should there not be 10 per cent difference? Will any one contend, in view of this showing and of the facts, that there is not a natural and material difference in the price of logs in British Columbia as compared with Washington, Oregon, and Idaho?

Mr. BURKETT. I suggest to the Senator that he read paragraph 8 of the same testimony before he concludes. The witness states that that condition is passing away very rapidly.

Mr. PILES. Yes; he says the condition is passing away; but, mark you, that is the statement of a man who is interested

in getting into the American market with foreign labor against the American laborer and the American product.

Mr. BURKETT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. I do.

Mr. BURKETT. I have been wanting the Senator to arraign some of these witnesses along that line. I call his attention now to Mr. Lamb's evidence, who came down here to argue for the retention of the present tariff. He certainly would not be a prejudiced witness, as the Senator suggests.

Mr. PILES. Not at all. I accept Mr. Lamb as a good witness. He is a splendid man. I know him personally. He is a man of the highest character.

Mr. BURKETT. Let me read what he says. He said:

The difference in cost of wages between British Columbia and Washington is very small. For a good many positions we pay the same wages. For railroad construction and the cheaper labor it is possible for the British Columbians to employ alien or foreign labor, which we can not do. The cost of supplies in British Columbia, machinery and tools, as has been stated here, is somewhat higher on certain articles, as I happen to know, as I am manufacturing them for the British Columbia market. On other supplies, such as wire rope, railroad material, etc., the British Columbians can buy cheaper than we can.

So on the whole, so far as regards the actual cost of labor, there is very little difference. That is from a witness who came here to argue for the Senator's side of this proposition.

WOODS WAGES ON BOTH SIDES OF THE LINE.

Mr. PILES. I accept every word Mr. Lamb says as gospel truth. The Senator from Nebraska has fallen into the same error into which the Senator from Minnesota fell. The Senator from Nebraska, I presume, has not carefully considered Mr. Lamb's testimony. If he had, he would not have commented upon it as he has. There is no dispute between Mr. Lamb and me on this subject; there is no dispute between Mr. Lamb and any man who manufactures lumber in the State of Washington. Now, let us see what Mr. Lamb said he came here for. First, take his statement in the last paragraph on page 2981:

You will understand that on the Pacific coast logging is an entirely separate industry from sawmilling, and it concerns the material from which lumber is made only from the forest to the log. Therefore I know nothing regarding lumber and shall not be able to answer any questions along that line. But the point that I wish to make is that on the Pacific coast, from which a very large part of our timber supply for the future must come, there is a differential in the cost of logs as compared with Puget Sound conditions and British Columbia conditions of from \$1 to \$3.50 per thousand in the open market.

Proceeding, he says:

The stumpage of British Columbia is obtained from the government, as has already been stated to you.

I need not read that. He proceeded further:

The question of wages, as an item of logging cost—

Mark you, it is an item of logging cost, not manufacturing—has been gone into very fully; but I simply wish to state that, in my opinion, the difference in cost of wages—

What wages?

between British Columbia and Washington is very small.

In what? In logging, in bringing logs out of the woods, not in manufacturing them into lumber. That is what Mr. Lamb is speaking about. He says:

For railroad construction—

That is, constructing railroads into the woods, the logging railroads. I have already shown that we have 1,100 miles of logging railroads in the State of Washington. He says for this kind of construction—

and the cheaper labor it is possible for the British Columbians to employ alien or foreign labor, which we can not do. The cost of supplies in British Columbia, machinery, and tools, as has been stated here, is somewhat higher on certain articles.

So, on the whole, as regards the actual cost of labor—labor in the woods—there is very little difference. Now, why is that? In presenting that question the Senator has overstated his case. Why is there no difference between the wages paid to men in the forests of Washington and those paid to the woodsmen in British Columbia? I will tell the Senator why there is no difference, and why there is a difference in the mills that manufacture those logs into lumber. The timber is owned by the Dominion of Canada, or the Province of British Columbia; it is owned by the people. The white people appealed to their government for protection against oriental labor. They said: "This timber belongs to the people. It is true that the government can not prevent the employment of Orientals in private mills, but it can prevent their employment upon public lands."

And so the white laborers of Canada, protesting against cheap labor, induced their government to prohibit the employment of



Oriental in the woods that they might work there themselves; and the Canadian government, in the issuance of licenses, absolutely prohibits the employment of oriental labor in woods work. And yet we are told that the mill men of British Columbia employ Asiatics because they can not get white men to do the work. If the mills, like the forests, belonged to the government, plenty of white labor could be found.

Do you wonder, then, that there is no difference in the cost of labor in the woods in British Columbia and in the forests of Washington? White men on both sides of the line demand the same wages and receive the same pay.

Mr. President, I have here a table showing the wages paid in Japan. The highest wage paid for common labor in Japan is 20 cents a day. The highest wage paid mechanics is to bricklayers; they receive 37 cents a day and board themselves.

I make no effort to belittle them. They were born under different conditions; they were reared in a different school of domestic economy. It may be to their credit that they can toil for 20 cents and 37 cents a day in their own country and board themselves. Working for such wages at home, are you amazed to find that when the Japanese reaches the American continent he is willing to work for 80 cents or a dollar, a dollar and a quarter, or a dollar and a half a day and board himself?

We pay white men performing common labor in our mills at least 60 per cent more than the mills of British Columbia pay Orientals for similar labor. I notice, in the statement filed by the Victoria Lumber and Manufacturing Company with the Ways and Means Committee, that the reason why they employ Orientals is because they can not get white men. Both Vancouver and Victoria are as near to the labor markets of Puget Sound, Seattle, and Tacoma, as Bellingham. Steamers ply between the cities of Washington and British Columbia every few hours. They could get plenty of white men if they paid white men's wages. The round trip could be made between Victoria and Seattle last summer for 25 or 50 cents.

Mr. BURKETT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. I yield to the Senator.

Mr. BURKETT. I have gone through the volume on the lumber schedule pretty thoroughly, and I have not found anyone on either side of the controversy who has combated the proposition made by the gentleman, to which the Senator has just referred; at least none of these manufacturers has said anything to the contrary. They have not used the same expression the gentleman did the Senator referred to; but there seems to be no disputing the fact that they would all rather have white labor if they could get it than have the other labor, and they are using it only as a matter of compulsion. There is not any disputing the fact; there is not any considerable difference between the wages that I can find in this book. If the Senator can refer me to anybody who testifies differently, I would be glad to have it.

Mr. PILES. Every affidavit you find in that book from men who went into the mills of British Columbia from Washington and Oregon to investigate conditions testifies to the fact that they do pay less wages. In the affidavits filed with the Ways and Means Committee they state that from 75 to 80 per cent of the labor employed in British Columbia mills is oriental and that the wages range from 80 cents to \$1.50 a day. I find some places where they have been paying \$1.65 per day for Japanese; that is, a few Japanese who, I assume, are able to act as subforemen.

#### TESTIMONY OF PREJUDICED WITNESSES.

Mr. BURKETT. Mr. President—

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. I yield.

Mr. BURKETT. Here is one whose evidence I can turn to quite readily, on page 2880. He says:

We employ no oriental laborer in any capacity or place.

Mr. PILES. Who is that?

Mr. BURKETT. It is Mr. Lynch.

Mr. PILES. Mr. Lynch's mill is up in eastern Canada. Mr. Lynch's mill is not on the Pacific coast, is it? Has he a mill in British Columbia?

Mr. NELSON. He has; at Fernie.

Mr. BURKETT. At Fernie.

Mr. PILES. It may be that he does not employ any Orientals there. I am not contending that there are no mills in British Columbia that do not employ Orientals. Back in the intermountain region there are some mills that do not employ them. There are, I am told, some places in British Columbia where the white miners in the mining camps will not allow

Oriental, but I believe that in the mills of British Columbia oriental labor predominates.

Mr. CRAWFORD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. PILES. I yield.

Mr. CRAWFORD. Is it not a fact that the general result and conclusion of all those witnesses is that the difference is not sufficient to make up for the difference in efficiency—that the Oriental, the Hindoo, is not worth comparatively what they pay him as compared with the service of a white man—but it is a question of being able to secure the white labor that is needed?

Mr. PILES. No one admits that on the American side. I know that assertion is made by the British Columbia manufacturer. He makes that assertion, but the fact is just the reverse. But, Mr. President, the Japanese are athletic, strong, healthy, quick in both mind and body. Is there any reason why a Japanese can not pile as much lumber as any other man? Can there be any reason shown why he should be deficient there? Is there any reason why a Japanese could not take as much lumber away from a saw or a planer as a white man?

Mr. CRAWFORD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from South Dakota?

Mr. PILES. I do.

Mr. CRAWFORD. I may be mistaken, but I read that testimony pretty carefully, and my recollection is the wage paid to the Hindoo was 80 cents and up to \$1.25, and that the Japanese uniformly got a higher wage. They have practically no Chinese labor there, except occasionally a cook in the camp.

Mr. PILES. The Senator from South Dakota is misinformed, I think. There are many, many Chinese. The Chinese and Japanese predominate over the Hindoos, as I understand it.

Now, these are facts. They are not mere surmises; they are submitted by men who went into those mills for the purpose of examining the conditions. If you take the statement of the manager of the Victoria Lumber Company, to which I just referred, he puts down Orientals at from \$1.25 to \$1.50 a day, while I believe that a majority of them receive \$1.25 or less a day, instead of \$1.50 a day.

Mr. BURKETT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. I yield to the Senator.

Mr. BURKETT. No one whose testimony I have been able to find makes such a statement in regard to this matter. Here is, on page 2889, the evidence of another witness, Mr. Scanlon, who says with reference to Orientals:

There is some oriental labor used in the British Columbia mills, ranging in price from \$1.25 to \$1.75 per day, depending on the class of work they perform. Considering the efficiency of this oriental labor, they are more expensive than white, and they would not be employed at all if white labor could be obtained.

Then, again, on page 3055, I find this statement in the evidence of Mr. Knappen:

What Orientals are employed are almost entirely in the tidewater mills. The mountain mills of British Columbia use few, if any, oriental laborers. Of four mountain mills on which we have drawn for data, two do not employ any Orientals, and the whole four only employ 20 Orientals in their entire forces, and these are practically all as common laborers.

Mr. PILES. Mr. Scanlon may be right in respect to those mills in the intermountain country—I will not deny that—but where would the Senator expect to find great mills? Would he not expect to find them on tidewater, where they can ship by rail or by water to every part of the country? The great mills are located on the coast. Why take an isolated mill back in the mountains? Why not, for instance, take a mill in Victoria, one in Bellingham, one in Vancouver, one in Seattle, and one in Everett or Tacoma? Why not take the men working in those localities and compare their wages?

Mr. BURKETT. I will say to the Senator that, of course, he is more familiar with the geography of Canada than I am; and it does embarrass me a little, because when I read the evidence of some witness the Senator has commented upon, he says the witness is not properly located geographically. I am going through the testimony and getting as many of the witnesses as I can; and I have not been able to find any witness who has testified that the oriental-labor question is of any great consequence as between Canada and this country; that while there are a few oriental laborers used up there, the universal testimony is that they are inefficient; that while they may not be paid so much in wages, they do not do quite so much work; that there is not any better result from them; and the witnesses

testified that they would rather pay larger wages for white labor than to use the cheaper oriental labor.

In some localities they testified they did not use such labor. I have not found a mill owner who wants to use them, or who says that he can economically use them, or who says that lumber can be produced any cheaper by reason of the fact that they do use them. I ask the Senator to point out some witness who uses such laborers, who wants to use them, and who says they are more economical than white laborers.

#### THE AMERICANS' OBJECTION TO ORIENTAL LABOR.

Mr. PILES. I do not expect that. They do not admit that they want to use oriental labor. I do not think there is any man in that country who admits that he employs oriental labor simply because he gets it cheaper. He is not willing to go on record in that respect. But we must reason from cause to effect. Why do they employ Orientals? Because they can get them at a less wage. Why did the white men in Vancouver, British Columbia, rise up against the Japanese a short while ago? Do you think that they had no complaint—that they endeavored to tear down the Japanese houses and attempted to drive them out of the city of Vancouver simply because they disliked them, or was it because they were working for a less wage than that for which the white men could afford to work?

Mr. President, I do not care what a man may put down in evasion. I take conditions as they stand upon the Pacific coast; and I ask myself the question, Why were these men prohibited from working in the woods? Why is a tax of \$500 a head placed upon immigrant Orientals in British Columbia? It is because they work for less wages than does the white man. Why is it that they are the only people on earth against which this tax is directed?

Let Senators construe the statements made before the Ways and Means Committee in any way they see fit, but they can not avoid the facts. Why are these uprisings? Why these exclusion laws? Why such a head tax? Why such vigorous protests, constant and unending, from the people of the Pacific coast? You may deceive yourselves, but no man on the Pacific coast can be deceived. He knows the facts.

I do not need to find in the record an admission by any British Columbia manufacturer that he wants to employ oriental labor. I am not looking for an admission from him that he employs them because he can get them for a less wage; but I know, without being told, why he employs them.

The telegram from the labor organization which was read a few moments ago shows that they know why Orientals are employed in British Columbia. Why do these organized laborers say they do not want their wages reduced? If Orientals working on the other side do not receive less pay, why do our people complain?

I read from Mr. Housley's statement contained in the record. He made an examination into labor conditions in British Columbia. Here is an extract from his affidavit:

*Hastings mill, No. 1*, being one of a number of mills owned by the British Columbia Mills, Timber and Trading Company, is a mill of about 250,000 feet capacity in ten hours. The total number of men approximate 300, of whom probably not less than 50 are whites and 250 Orientals, mostly Japanese and Chinese. I actually counted 62 men on the mill floor, 12 of whom were white men and 50 Chinese. I also counted 40 men in the mill yard, of whom 5 were white men and 35 Japanese. The wages paid for Chinese are from 80 cents to \$1.10 a day, for Japanese from \$1 to \$1.50 per day, and for Hindoos from 80 cents to \$1 per day.

There is no use, Mr. President, to attempt to disguise well-known and well-understood facts. A man who has lived in that section of the country as long as I have absorbs some things. He knows the conditions which prevail in the country, and he hears the complaints. No one need argue to me that Orientals are employed because the mill owners can not get white men, and that they receive substantially the same wage as white men get in Washington, Oregon, or Idaho. No one need tell me that the Oriental is inefficient. When a Japanese or a Chinese is put at a machine he must keep the pace of the machine. If only one man can work at the machine, he must do one man's work, whether he be a white man or a yellow man. He must attend to and take away the output of the machine.

#### COMPETITION IN FOREIGN EXPORTS.

I shall now answer the question of the Senator from Missouri [Mr. Stone] in respect to competition in the foreign markets. The Senator wants to know why it is that British Columbia increased her exports only from 41,000,000 feet in 1905 to 67,000,000 feet in 1907, and why it is that our mills can compete in the foreign markets with those of British Columbia.

The output of Washington and Oregon for 1907 was 5,413,169,000 feet, of which 430,565,000 went abroad. We ship only about 7 per cent of the product of our mills to foreign markets. That 7 per cent is made up mostly of selected tim-

ber—that is to say, timber sawed in sizes 10 by 12, for instance, 16, 20, or 30 feet long, or any length that may be desired. When the timber is put aboard ship and transported to Australia, for instance, it is discharged at port and sawed into flooring, finishing, and such material as may be desired for that market.

The failure of British Columbia to increase her exportations beyond the figures mentioned in the years indicated is due to two facts: First, probably not to exceed six mills in that Province are prepared to compete in the foreign market; second, because she practically has no market for the 70 per cent of her low-grade lumber. Having no considerable market for her low grades she must of necessity limit her output of the upper grades, as about 70 per cent of the best cut in the tree produces low-grade lumber. Owing to the lack of a market for the low grades the manufacture of lumber has not been developed there to the extent it has in Washington or other States on the Pacific. British Columbia has a population of about 250,000 people, of whom, I am told, about 60,000 are Orientals. Eastern Canada takes but a small portion of her low grades, hence her market for this class of lumber is very limited. She must therefore find a market for her low grades before she can materially increase her output for export purposes. That market is the United States. It is owing to this fact that those owning timber over there want lumber put on the free list. If lumber shall be placed on the free list or reduced to \$1 per thousand many new and modern mills will be constructed in the western Canadian Province and her output for the foreign trade greatly increased, for she will then have the United States as a dumping ground for her low grades, which are now largely wasted by being left in the woods.

Mr. BURKETT. Mr. President, I should like to ask the Senator a question.

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. Yes.

Mr. BURKETT. One of the first questions I asked the Senator was to explain why we could compete, here at home, with our second-grade lumber, as he calls it, with the Canadian second-grade lumber. Why can they take out their second-grade lumber, send it down here, compete with us, and drive our second-grade lumber out of the market?

Mr. PILES. I thought I had made that point clear to the Senator. The reasons why free lumber would impair, if not destroy, our domestic market for low-grade lumber are these: First, our accessible stumpage costs us \$2 per thousand, while they get theirs for 50 cents per thousand; second, it costs us \$1 per thousand feet more to manufacture than it costs them, because they employ cheaper labor in their mills; third, the water freight rate from British Columbia to California ports (among our best markets) is \$1 per thousand cheaper than from Oregon or Washington when conditions are normal; the difference at times is much greater. There are other elements, but the ones I have mentioned ought to be enough to show the Senator how our market would be destroyed.

Mr. BURKETT. Let me get this thing straight.

The PRESIDENT pro tempore. Does the Senator from Washington yield further?

Mr. PILES. I yield.

#### FREE-TRADE ARGUMENTS EXTRAORDINARY.

Mr. BURKETT. The Senator complained a moment ago that in the case of our stumpage the American paid for the whole tree, while the Canadian, as I understood, paid only for what he used. He now says that the Canadian has the advantage because the second-grade lumber will be made out of timber that only cost him 50 cents a thousand, while the American pays \$2 a thousand. But if I understood the Senator a moment ago, he said that the American in buying stumpage bought the whole tree, and therefore must have the second-grade lumber for nothing.

Mr. PILES. Have it for nothing? He pays \$2 a thousand for the tree as it stands.

Mr. BURKETT. As between using it, and leaving it to waste, he certainly has it for nothing.

The Senator's argument as to this second-grade lumber is now that the stumpage costs the American \$2, whereas it costs the Canadian 50 cents; but compare this with his statement a moment ago, in which he said the American had paid for the whole tree, whether he used it or not. If that is so, if he throws it away, as between throwing it away and using it it is costing him nothing.

Mr. PILES. If the Senator thinks the American is getting the common grades for nothing, let him go into the mill business on the coast, and he will soon see the error of his judg-



ment. Does the Senator think it is going to pay to manufacture that kind of lumber in competition with Canada, if the duty on lumber is lowered?

Mr. BURKETT. I do not know whether it would or not, but I am very certain that the Senator's argument that the American's stumpage is costing him \$2 and the Canadian's stumpage but 50 cents does not hold true with the statement he made a moment ago, when he said that the American had to pay for it whether he used it or not, whereas the Canadian only paid for what he used. The American had to pay for the whole tree whether he cut it up or not; but the Canadian paid 50 cents a thousand for such parts as he used; yet the American can not compete with the Canadian in the manufacture of this low-grade lumber without a high duty.

Mr. PILES. Is not that an element going to show that lumber may be manufactured cheaper in British Columbia than in Washington, Oregon, or Idaho?

If the Senator does not understand that proposition, I am unable to make it any plainer to him. But I shall attempt once more to make the Senator understand. I will use an illustration which will come home to Senators from agricultural States.

Assume that a farmer in such a State were to be confronted with a proposal to legislate so that one-half his corn crop must be left in the field to rot because there was no market for that one-half. Would not the Senator from his State argue that the economic cost of the marketable half of that corn crop was equal to the total cost of the production of the whole crop divided by the number of bushels of corn which he could market? Would it be difficult to understand the dictum of political economy whereby such a farmer would establish the cost of his marketable corn? Would it be argued that the farmer cited could compete with Canadian farmers, if they raised corn extensively, when the American farmer was denied a market for one-half his crop, while the Canadian farmer, producing, let us say, the same number of bushels per acre, was given a market for every bushel he raised and going to the same market in which to sell his corn?

If the Senator will substitute low-grade lumber for corn he will find that the parallel between the two hypothetical cases is exact, with this added disadvantage, however, to the American lumberman, that in producing his lumber he must pay more for labor and more for stumpage.

Mr. SIMMONS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. PILES. I yield to the Senator.

Mr. SIMMONS. I should like to inquire of the Senator if, as a matter of fact, it does not cost as much to manufacture the cheaper grades of lumber as it does to manufacture the higher grades of lumber.

Mr. PILES. Certainly it does.

Mr. SIMMONS. If it costs the manufacturer more to cut and haul and manufacture the cheap grade than he can sell it for, is it not to his interest to let it stay in the woods and rot?

Mr. PILES. It is, of course.

Mr. CARTER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Montana?

Mr. PILES. Certainly.

#### STUMPAGE MEASUREMENT AND TIMBER PURCHASE.

Mr. CARTER. It has been stated time and again that there is a different rule in Canada for the measurement of stumpage from that which obtains in this country. It has been asserted that stumpage embraces the entire tree in the United States, whereas according to the Canadian method of measurement only that portion of the tree which is sawed into lumber is measured, and therefore what is known as the "butt," or clear lumber, could be cut from a tree in Canada, the balance of it treated as waste, and the stumpage rate paid only upon the quantity of lumber embraced in the clear logs.

Mr. PILES. Yes.

Mr. CARTER. Now, Mr. President, I should like to have very specific information on that point, because my understanding is that the rule of stumpage measurement is identical on both sides of the line; that a given tree, said to contain by the rule a specified amount of lumber, will contain that amount of lumber measured under the rule on either side of the line; and if a given acre or a given quarter section of land is said to contain a million feet board measure on the stump, it would contain a million feet whether in British Columbia or in Washington, if the same number of trees of the same dimensions are grown. I can not understand or readily accede, at least, to the proposition that the person purchasing the timber on the stumpage estimate would be left to determine in payment the portion of the tree to be taken away, and to pay only on that por-

tion. A tree contains a certain number of feet board measure, and the whole tree is measured, according to my view, under exactly the same rule, whether measured in British Columbia or in the United States. If a contrary rule obtains, I should like to be advised of it.

Mr. PILES. The purchaser in British Columbia does not buy the trees standing in the forests as our mill men and loggers are compelled to do. He secures a lease on the timber lands of that Province for twenty-one years, under the terms of which he agrees to pay 50 cents per thousand for the timber which he uses. He therefore takes to market or to the mill such portion of the tree as he sees fit. For the logs removed he pays 50 cents per thousand feet, according to the scale at the mill or in the water. We are compelled to purchase outright from the owners and pay for accessible timber \$2 per thousand feet for all of the merchantable timber standing in the forest, and this includes the low as well as the high grade lumber in the trees. No private owner would sell under any other conditions. While British Columbia is wasting about 50 per cent of her timber in the forests, we, with a fair market, are saving the greater portion of ours; but with free lumber we would be compelled to waste ours while British Columbia saves hers.

Mr. CARTER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Montana?

Mr. PILES. Certainly I yield.

Mr. CARTER. I fully agree with the Senator that rational public policy requires that all parts of the tree that can be utilized should be utilized, and that the cutting should be conducted in such a manner as to avoid needless waste. I submit to the Senator that following out the logic of the rule with reference to measurement there would be no second-class lumber cut in Canada at all, because the man who cut the logs, being left to determine only that portion which would pay him best to take away from the forest, would take only first-class material. He would never move a log out of the woods which would make only second-class lumber, because he could just as well take out the first-class logs or the first cut, leaving the balance to waste.

Mr. PILES. The Senator is mistaken, and I will prove it by the Canadians themselves. Why should Canada or the Province of British Columbia permit its lessees of timber lands to waste 50 per cent of the trees by leaving the upper cuts in the woods when they have a market for the low grades? Certainly this would not be tolerated. The government would undoubtedly compel a removal of the upper cuts of the tree as soon as it was discovered that they had a market for that product in the United States.

Mr. CARTER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Montana?

Mr. PILES. Certainly.

Mr. CARTER. The fault I find with the rule alleged to obtain there is that the British Columbia government will have nothing whatever to say about it.

Mr. PILES. Why will it not?

Mr. CARTER. They merely tax the individual for the logs that he takes away—

Mr. PILES. I beg the Senator's pardon.

Mr. CARTER (continuing). And leave him to say what part of the tree he will put into the log.

Mr. PILES. I beg the Senator's pardon. If he will permit me to proceed, I will give him a full answer to his question. The government does not lose control of its timber lands under the terms of the lease. It may increase the price of the stumpage, if it is thought wise to do so; and I would not be astonished if this were one of the first things the government did, if the duty should be removed in whole or in part.

But, Mr. President, that is not all. It is to the advantage of the mill men to manufacture the upper cuts into lumber when there is a market for low-grade lumber. In no other way can they increase their output of high-class lumber. The lack of a market for the low grades necessarily limits the output of the upper grades. I explained that when I showed why British Columbia had but slightly increased her trade in the foreign markets. Another thing I wish to call to your attention in this connection is this: The "butt cut" of the tree, the log that produces the finest lumber, contains 70 per cent of the common grades. A market must therefore be found for the low-grade lumber in these cuts before one would be justified in opening up the forests of British Columbia on an extensive scale.

But I said that I would prove by the Canadians themselves that they saved their common grades when they had a market in this country and wasted them when denied this market.

## AMERICAN MARKETS CANADA'S COMMERCIAL SALVATION.

In 1890 the duty on white pine was reduced to \$1 per 1,000. In 1894 a political campaign seems to have been going on in Canada. The Canadians were greatly elated over the prosperous conditions prevailing throughout the Dominion, and they issued a circular or pamphlet, called "Pamphlet No. 10," setting forth their achievements. Here is what they said:

The lumber trade is of Dominion concern and perhaps ranks second in importance in Canada. All the Provinces are more or less affected by the prices obtained and the markets available for sawed lumber, but to Ontario, Quebec, New Brunswick, and British Columbia—all large exporters of sawed lumber—the prosperity of the trade is of vital importance. The United States is practically our only market for sawed lumber and shingles, and its value may be judged from the fact that Canada sent there last year 1,031,000,000 feet of sawed lumber, valued at \$8,900,000, and 357,000,000 shingles, valued at \$734,000, or a total value of \$9,634,000. The rougher grades of lumber were now capable of being marketed there at a profit, and it has been estimated by Colonel O'Brien, member of Parliament for Muskoka, and corroborated by reports from the Crown timber agents, that from 30 to 50 per cent more white pine is cut and marketed from the same area of licensed territory than was formerly the case. This means a large increase in the revenue of the Provinces for material which had formerly gone to waste. It also means a large increase in the employment of labor and markets for produce.

Analyze this pamphlet, if you please, and you will find that it calls attention to the following important facts: First, that the United States is practically their only market for sawed lumber and shingles; second, that they were able to sell their rough lumber in our markets at a profit in 1893, when the duty on white pine was only \$1 per thousand, and that by reason of this fact they cut and marketed from 30 to 50 per cent more timber from the same area of licensed territory than formerly; third, that there was a large increase in their revenue derived from the sale in this country of material which had formerly gone to waste in the Canadian Provinces; fourth, that their labor had been better employed and that their produce had found more stable local markets.

Canada had reason to congratulate her people, for, according to her own showing, the reduction of the duty on white pine in 1890 to \$1 per thousand gave her a profitable market in this country and an opportunity to save from 30 to 50 per cent of her timber which formerly had gone to waste.

Can anyone, Mr. President, doubt the effects of a \$1 duty upon the lumber industry of this country in view of this admission and these well-known facts?

No one claims that the removal of the duty will reduce the price of lumber to the consumer. I asked the Senator from North Dakota the direct question, and he said that it would not; that he thought lumber would advance, and that the removal of the duty would have a tendency to check the rapid rise in price.

But who is it that asks for the removal of the duty? Canadian timber holders; those who will profit most by the reduction. Does any sane man doubt that their holdings will increase in value if this bill shall be enacted into law? Why should they not? They would then have access to our markets for the lumber which they manufacture in both eastern and western Canada. What is it that gives value to a product? It is a profitable market; and that market they demand at the expense of the American laborer and the American manufacturer. This means the impairment of our market for a home product, the output of home people. We shall not see the American consumer reap any benefit from the reduction. We shall see him paying the same price for his lumber that he pays now. We shall see him contributing to the employment, not of the American wage-earner who contributes to the consumer's welfare by buying some of everything the consumer has to sell, but to the Canadian wage-earner who buys practically nothing of what the consumer has to sell.

The reduction of the duty on rough lumber would undoubtedly lessen the price at our mills, especially on the Pacific coast, where the manufacturers would have to contend with cheaper labor, cheaper stumpage, and cheaper water freight rates; but it would not, in my judgment, lower the price to the consumer.

If the Canadian Parliament were sitting here, with authority to legislate for the benefit of its people, it would do exactly what we are asked by holders of Canadian timber to do—put lumber on the free list.

## INFLUENCE OF CANADIAN TIMBER OWNERSHIP.

Those persons referred to the other day by the Senator from Minnesota [Mr. NELSON] and the Senator from North Dakota [Mr. McCUMBER]—Mr. Scanlon, Mr. Lynch, and others—admit that they have in Canada either mills or timber, or both. It is natural that they should be here advocating free lumber. They seek a market for their low-grade lumber. They have no satisfactory market in the Dominion. They want the American mar-

ket, because it would be profitable for them. I do not censure them for this; they are doing the best they can to find a market for their products. This is to be expected.

But, Mr. President, in defense of the 800,000 workmen in the woods and mills of this country, in defense of the 28,000 or 30,000 mills in this country that employ these men and manufacture our forest products, I must oppose them.

Mr. SIMMONS. I wish to ask the Senator from Washington if it is not a fact that a good many of the Canadian mills also are owned by rich American citizens?

Mr. PILES. They are; and I will come now to that proposition.

The Senator from Minnesota [Mr. NELSON] said, as I understood him, that the most of the millionaires in Minnesota, Michigan, and Wisconsin were "timber barons;" that they had made their millions out of the timber areas of those States. I do not doubt the correctness of that statement. But I think, Mr. President, they should be content with what they have made, but they are not.

Having made vast fortunes in Minnesota, Michigan, and Wisconsin, they are not yet satisfied. They have gone over into Canada and secured large tracts of timber lands, and they now demand free trade in lumber. Is it conceivable as a commercial proposition that they would have made this demand when their forests were dense and their mills operating to their utmost capacity in the States mentioned? Oh, no; they are not yet satisfied. Not content with being millionaires here, they want to become multimillionaires in Canada. I am sorry to disturb the pleasing concord of these gentlemen, but I must oppose them. They may become multimillionaires if they can, but, if I can prevent it, not at the expense of the people of the Pacific Northwest, who pioneered the western country and saved those great timbered areas to the people of the United States.

I have found nothing in the record from any of these gentlemen saying that they will reduce the price of lumber if it be placed on the free list.

## PROSPECTIVE PRICES FOR THE MANUFACTURER.

Mr. BROWN rose.

Mr. PILES. Just one moment. They ought to know whether they will reduce it or not. They own timber, or mills, or both, in Canada. Ought not Mr. Lynch and Mr. Scanlon know whether they will reduce the price to the American consumer? I now yield to the Senator from Nebraska.

Mr. BROWN. I desire to ask the Senator from Washington a question. Conceding the point that it would not reduce the price of lumber to the consumer, how would it harm the man who had it to sell—the manufacturer?

Mr. PILES. I thought I had made that perfectly plain, but if I have not I shall try to do so.

If lumber can be manufactured in British Columbia cheaper than in this country, the manufacturer can well afford to sell to the wholesaler in the United States cheaper than our mills can sell him. The wholesaler can sell to the retailer a little cheaper than he formerly sold him and still keep up the same price to the consumer, and at the same time keep us out of the market.

Mr. BROWN. But the position of the Senator is that the manufacturer will get the same price for his product with lumber on the free list that he gets now, because the price will not be reduced to the consumer. If he sells it at the same price with lumber on the free list that he does with lumber on the protective list, his profit must be the same. The Canadian might make more profit with lumber on the free list, but the American manufacturer would make the same profit, according to the Senator's own statement.

Mr. PILES. The Senator from Nebraska [Mr. BROWN] misunderstands my position.

Why does the Senator from North Dakota ask to have the duty on wheat, oats, and barley increased?

Mr. BROWN. The Senator must ask that question of the Senator from North Dakota.

Mr. PILES. I am not propounding the question to the Senator from Nebraska. I am stating it in the form of an argument. The Senator asks the increase undoubtedly for the purpose of keeping Canadian products out of his markets. I do not imagine that he believes that the Canadian farmer can produce wheat any cheaper than the North Dakota farmer produces it, but he wants to protect the market that by right belongs to the American farmer. Now, I want to protect the market that by right belongs to the American laborer and manufacturer; but I present a different case from that of the Senator from North Dakota. Our product must come into competition in our own markets—as must our labor—with a product that can be pro-



duced in a foreign country at less than we can produce it, and which can be sold for less than we can afford to sell it, unless we reduce our wage scale to the level of that paid to Orientals. This I wish to avoid because it is not just, and for the further reason that our people can not and will not work for any such wages. No one so far has advanced the idea that free lumber will reduce the price to the consumer. In my judgment the remitted duty, whatever it may be, would be largely absorbed in Canada.

Mr. CUMMINS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Iowa?

Mr. PILES. Certainly.

Mr. CUMMINS. I think it is only fair to say that presently I hope to make a few observations upon this subject, and when I do I shall favor the reduction of the duty on lumber, or the free importation of lumber, solely because I believe the consumer will get his lumber for that much less. So do not in your argument assume that no one at least will contend that a reduction in the duty on lumber will benefit the consumer. If I did not believe that the man who buys and uses the lumber would under free importation get it for less than he would otherwise get it, I would not care if you put up the duty on lumber to a hundred dollars a thousand.

Mr. PILES. The Senator from Iowa is the only one whom I know of who contends that the consumer will receive any benefit by the removal of the duty.

Mr. BEVERIDGE. Mr. President—

Mr. PILES. But now let me answer the Senator from Iowa. He asked me a question, and I want to answer it here.

Mr. BEVERIDGE. This is a kind of experience meeting. I have a faint opinion, or feeling, of the same kind.

Mr. PILES. The Senator may have an opinion, but I think he has no real hope in his heart that such a result will be achieved.

Mr. BEVERIDGE. I have not any doubt of it.

Mr. PILES. The conditions are such that such a result will not be achieved.

Mr. BROWN. I desire to call the attention of the Senator from Washington to the fact that just a few minutes ago he himself admitted that possibly the price might be reduced by the manufacturer.

Mr. PILES. Yes; the American manufacturer.

Mr. BROWN. But the middleman would corral all the profit.

Mr. PILES. Possibly.

Mr. BROWN. That is purely a matter of opinion, and an assumption.

Mr. PILES. I know it is; but it is based on well-understood facts.

Mr. BROWN. If it is conceded that the manufacturer will not reduce the price, there must be an assumption that there will be a conspiracy which will continue the present price to the consumer.

Mr. PILES. I charge no conspiracy.

Mr. CRAWFORD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. PILES. Certainly.

Mr. CRAWFORD. Is it not your theory that conservation will be promoted by retaining the tariff?

Mr. PILES. It is.

Mr. CRAWFORD. Based upon the theory that the removal of the tariff would reduce the price of lumber and consequently you would be wasteful and would not try to utilize the cheaper grades?

Mr. PILES. Not to the consumer.

Mr. CRAWFORD. Then I have not understood a large part of your argument. I gathered that the contention was that the upper cuts would be allowed to remain in the woods, because if the tariff were removed the market price of upper cuts would be so low that you would not be able to ship them out of the woods.

Mr. PILES. That is correct. If the tariff be removed, we shall be compelled to leave our upper cuts of the tree in the woods—at least a large portion of them—because our market for the low-grade lumber will in a little while be largely taken from us by British Columbia. But that does not mean that the consumer will get lumber at a reduced price. The mills do not sell to the consumer; they sell to the wholesaler, who, in turn, sells to the retailer.

Why does not British Columbia undersell us in the foreign markets, where there is free trade? She manufactures cheaper than we can, yet she asks and receives from the foreign whole-

saler as much as we get for our lumber. Does anyone think she will do better by us than she does by the foreigner? She may for a while, until she gets control of our markets, and then the same old story will be repeated.

Mr. CRAWFORD. Mr. President—

Mr. PILES. Will the Senator permit me to go on for a moment?

Mr. CRAWFORD. I will not interrupt the Senator, if he so desires.

Mr. BURKETT rose.

#### EVOLUTION AND INFLUENCE OF STUMPAGE PRICES.

Mr. PILES. I hope the Senator will wait for a moment.

The Senator from Iowa [Mr. CUMMINS] asked me why our stumpage is worth \$2 per thousand, and I wish now to explain that to him.

Our general prosperity, the increase of our population, and the enlargement of our markets for our timber products have contributed to the advance in the price of timber lands. These factors have played an important part in the enhancement of lands and commodities of every variety in all parts of the country.

We had no market in the East for our lumber until the latter part of 1893 or the fore part of 1894. At the time indicated we secured a freight rate which enabled us to reach the markets of the Central West. These markets were worth but little to us from 1894 to 1897, inclusive, owing to the disastrous effects of the Wilson-Gorman Act upon the country; but with the revival of trade conditions under the Dingley Act they have become of very great importance.

When I went to Washington in 1883 it was a Territory. Our local and domestic markets were restricted, our population sparse, and the means of transportation limited. The Northern Pacific Railroad Company had not then tunneled the Cascade Mountains. It had ascended and descended that range by means of what is called a "switch back." The Great Northern was then practically unknown on the Pacific coast. No one at that time thought of its building across the continent and making Puget Sound its western terminus. Neither the Union Pacific, the Southern Pacific, nor the Canadian Pacific then reached us. The Milwaukee and the Burlington were not then considered. But times have changed; our State is interlaced with railways; our ships traverse every sea.

Our chief cities of to-day were little better than villages in 1883. Seattle had a population of about 5,000 persons. It has since grown into a modern city with a population of, approximately, 300,000. The spot which marks the site of Tacoma, a city of over 100,000, was then a wilderness. Spokane, with a population of more than 100,000, was little better than an outpost on the plains. Her immense water power had not then been harnessed, and few foresaw its wonderful possibilities. These and many other prosperous cities in the State have grown into great commercial and manufacturing importance, creating a demand for our forest products.

The plains—the "desert," so-called—and the highlands of eastern Washington, which once were thought to be largely unproductive, have been converted by a hardy and vigorous race into fields of waving grain, meadows, and orchards.

It was quite natural that timber should have been low under adverse conditions and higher under more favorable conditions. All of our other products increased with the expansion of our markets, and it would have been somewhat singular if, under improved conditions, the price of lumber had not increased. Had it not, little would have been left after figuring interest and taxes.

Some contend that we should remove the tariff in order to reduce the price of stumpage, as no one will be affected thereby except the "timber barons." Those who thus reason ignore the facts that west of the summit of the Rocky Mountains are 800,000,000,000 feet of timber, practically one-half of which is owned by the Federal Government; that the lands upon which it stands are withdrawn from private entry in order to conserve the forests for future generations.

#### CONCRETE EXAMPLES OF PRICE PROGRESS.

Congress has appropriated millions of dollars to this end, with the expectation that the reservations would shortly become self-sustaining. These forests are a large asset of the people of the United States. There is no way of making them self-sustaining except by the sale of timber. Any reduction in stumpage values on government reservations means taking that much out of the pockets of the people. The Government sells stumpage from the reserves at as high, if not a higher, figure than that for which the same class of timber can be bought from private owners. In corroboration of this statement I sub-

mit an article which appeared in the Bellingham Herald on the 3d day of April last:

BIG SALE OF NATIONAL TIMBER MADE—HUNDRED MILLION FEET SOLD IN NORTHERN PORTION OF SNOQUALMIE RESERVE.

[Special to the Herald.]

SEATTLE, April 2.

One of the largest timber sales ever made by the United States Government in the Pacific Northwest will be consummated in about thirty days, when formal contract will be executed allowing the cutting of nearly 100,000,000 feet stumpage from the valley of the Whitechuck River in the northern part of the Snoqualmie National Forest. This sale will be made according to the usual terms of the Forest Service, which require that operations shall begin soon after the signing of the contract and that all timber must be cut within a specified time. The timber is to be paid for in advance payments of \$10,000 each, from time to time, as cutting progresses. While the exact stumpage price obtained by the Government will not be known until bids are opened on April 27, it will not be less than \$2.25 per thousand feet for all saw timber cut prior to April 1, 1910, with an increase in the stumpage price of 25 cents per thousand feet for each succeeding year during the period of the sale, as the Forest Service already has an application for the timber on these terms. The deal was negotiated through the office of the supervisor of the Snoqualmie National Forest in Seattle.

I am informed that the amount of timber sold is not 100,000,000 feet, but about 29,000,000 feet; that the purchase price, \$2.25 per thousand, is correctly stated in the news item.

It is a mistake to assume that the timber barons have acquired practically all the timber in Washington. The Government owns about one-half of all the timber in that State; the State itself owns about 37,000,000,000 feet.

The commissioner of public lands of the State of Washington informs me that a conservative estimate shows that the timber on the common-school lands of that State is not less than 25,000,000,000 feet, worth not less than \$40,000,000 to the common-school fund; that the selected granted lands contain 12,000,000,000 feet, valued at not less than \$18,000,000. This is exclusive of the land and applies to the standing timber only. This makes \$58,000,000 worth of timber owned by the common-school and other public funds in the State of Washington.

We can not strike the timber barons without striking the Government itself and the school and other public funds of the country derived from the sale of timber.

I imagine that those who advocate free lumber upon the theory that the stumpage values would be cut in half would be loud in their protest if their school lands were threatened with a similar decrease for the benefit, not, after all, of the consuming public in this country, but for the advantage of timber holders in a foreign land.

I am satisfied that the state land commissioner has placed the value upon the school and other state lands in Washington at a very conservative figure.

I have here an article which appeared recently in the Seattle Post Intelligencer, one of the leading newspapers on the Pacific coast, concerning a sale of school and granted lands in King County, Wash. The article is based upon the report of a deputy county auditor on a sale of timber on three different quarter sections of school lands granted to the State for school purposes. They brought \$71,338.56. The timber on one quarter section of the land, according to the newspaper article, was appraised by the state officials at \$14,166. It sold after strong competitive bidding for \$38,000.

The timber on another quarter section in the same township was appraised at \$9,267, and was bid off at \$13,341.

The timber on the third quarter section in the same township was appraised at \$11,338, and sold for \$18,000.

My attention has been called to a statement made to the effect that for three years, from 1906 to 1908, inclusive, Canada exported into the United States 400,000,000 feet more lumber than she did under the Wilson-Gorman Act, and that forty years ago, under a high tariff, the Dominion shipped more lumber into this country than she did under free trade. This is not at all astonishing. It is a strong argument in favor of a protective duty on lumber and the general protective system. It aptly illustrates the oft-repeated and oft-demonstrated doctrine of the protective tariff system—that the people of this country can afford to, and do, buy more under protection than they can afford to, or do, buy under free trade. If this is not true, what intelligent reason can be assigned for the shipment of less lumber from Canada under the Wilson-Gorman Act than was shipped under the Dingley Act? Surely the mere payment of the \$2 duty for the privilege of entering our markets did not increase Canadian importations.

#### LABOR'S VITAL INTEREST IN REASONABLE PROTECTION.

In round numbers, the lumber industry of the United States employs 800,000 persons; 190,000 on the Pacific coast, 110,000 in the State which I have the honor in part to represent—counting five persons to a family, 500,000 people, one-half of the popula-

tion of the State of Washington are dependent upon the lumber industry for what they eat and wear. Do you wonder that we are vitally interested in this question? Do you wish to take the approximately \$80,000,000, or any part of it, that we pay in wages and transfer it to the pockets of the Orientals in British Columbia? Do you wish to paralyze the principal industry of the young States of the Pacific? I am sure no Senator here would knowingly do this.

Mr. President, I protest against the amendment submitted placing lumber on the free list and the reduction proposed in this bill in the name of the 800,000 men employed in the lumber and shingle industries of the United States.

I was born, Mr. President, in the South. My people are buried in her soil. I did not become a Republican when I cast my first vote because I loved the South less, but because I loved her more. As I grew old enough to realize conditions I saw that her fields were devastated, her homes either in ruins or in ashes. As I read history I came to the conclusion that the South was wrong in the great conflict which bathed our land in blood. I concluded that she was wrong upon the doctrine of free trade or a tariff for revenue only. I felt that no nation could become really great that produced raw material for others to manufacture and sell to those who produced it. Having become a protectionist contrary to the environment in which I was reared, I can not abandon the doctrine which converted me in my youth.

But, Mr. President, I am not a protectionist "in spots." I am not one of those who believe that the tariff is a local issue; I believe it to be national in its scope and character, a system that promotes the happiness, prosperity, and welfare of all when properly understood and intelligently applied.

There is another industry on the Pacific coast—the shingle industry—to which I wish to direct the attention of the Senate, then I am done. Before proceeding to the discussion of the necessity of raising the duty on shingles from 30 cents to 50 cents per thousand I ask that the Secretary read the telegram, letter, and resolutions which I send to the desk.

The PRESIDENT pro tempore. The Secretary will read, as requested.

The Secretary read as follows:

SEATTLE, WASH., April 26, 1909.

Hon. S. H. PILES,  
United States Senate, Washington, D. C.:

Having in mind the welfare of the wage-earners of the shingle industry, whose standard of living and morals are seriously impaired by competition with Asiatic labor, we most earnestly appeal to you to use every honorable method to secure additional tariff on shingles that our industry may be saved to white workmen.

INTERNATIONAL SHINGLE WEAVERS' UNION,  
C. J. FOLSOM, President.  
W. E. WILLIS, Secretary.

INTERNATIONAL SHINGLE WEAVERS' UNION OF AMERICA,

Seattle, Wash., January 15, 1909.

Hon. SAMUEL PILES,  
United States Senate, Washington, D. C.

DEAR SIR: I am sending you herewith a copy of a set of resolutions which were passed at the recent convention of the International Shingle Weavers' Union of America. I am sure that you will do all that is possible to see that the facts recounted therein are presented where the most good will result.

With best wishes,

Very truly, yours,

J. G. BROWN, President.

Resolutions adopted by the International Shingle Weavers' Union of America in convention at Olympia, Wash., January 4, 5, 6, 1909.

Whereas during the past ten years there has been a tariff of 30 cents per thousand on shingles imported by the United States;

Whereas during all this time the imports of Canadian shingles into the United States have steadily increased, have doubled in the last few years, and in the years 1906 and 1907 reached the large total of 8,909 carloads, through which the wage loss to the white workmen in the Washington shingle industry amounted to approximately \$1,000,000, or practically \$40,000 per month;

Whereas the shingle manufacturers in British Columbia are able to inflict this enormous loss on the wage-earners in the Washington shingle industry through the employment of Asiatics, who compose 80 per cent of the working forces in the British Columbia shingle mills, and who accept a very much lower wage compensation and a very much lower standard of living than can the all-white labor of the Washington shingle industry;

Whereas the white wage-workers in the Washington shingle industry have better and higher conceptions of industrial, social, hygienic, and moral well-being, and, realizing the ideals of their race and Nation, have trained themselves to conform to a standard of living in accordance with American ideas of American civilization;

Whereas the increasing imports by the United States of Asiatic-made shingles of British Columbia constitute a menace to American institutions by driving white workmen out of the Washington shingle mills, depriving these workmen of the means to maintain themselves and families, thus lessening the amount of money available to farmers, merchants, and other business men of the United States; and

Whereas the wage-earners in the Washington shingle industry have been enforcedly idle nearly twelve months during the past twenty-four months;



Whereas they are to a great extent engaged in producing shingles from fallen, fire-blackened, and other cedar that would be otherwise wasted and be a dead loss to the State and to the Nation;

Whereas the first consideration of the United States Government should be the welfare of its own citizens;

Whereas it is understood that some misinformed people now advocate the reduction of the present tariff of 30 cents per thousand, which is, even now, an inadequate protection against Asiatic shingles made in British Columbia; wherefore, for these reasons, we respectfully and firmly protest against any reduction of the present tariff, and we do earnestly and strongly urge all legislators to save the industry and to protect our necessary wage interest by fixing an adequate protective tariff against Asiatic-made shingles, a tariff of preferably 50 cents per thousand;

*Voted*, That a copy of these resolutions be sent to each member of the Washington state legislature, with the request that they memorialize Congress to grant the Washington shingle industry an adequate protective tariff of preferably 50 cents per thousand.

*Voted*, That the Ways and Means Committee of the House of Representatives, United States Congressmen from shingle-manufacturing districts covered by the International Shingle Weavers' Union of America, be furnished with copies of these general resolutions.

#### LOG PRICES ON BOTH SIDES OF THE LINE.

Mr. GALLINGER. Mr. President—

Mr. PILES. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Before the Senator takes up this phase of the discussion, there is one matter that I think he overlooked to which I wish he would address himself briefly.

The Senator from North Dakota [Mr. McCUMBER] called attention to the fact that American lumbermen had sold lumber to the Canadian Pacific Railroad at a price below that of the Canadian producers of lumber. If I am correctly of opinion, the Senator from Missouri [Mr. STONE] this morning, in his questions, called attention to that fact, and likewise, I think, made some inquiry about this matter. I think there is a complete answer to it, which I presume the Senator from Washington is familiar with, and I wish he would give us the benefit of it.

Mr. PILES. That is, the shipment to the Canadian Pacific Railroad?

Mr. GALLINGER. To the Canadian Pacific.

Mr. PILES. I have no knowledge, of course, with respect to that particular transaction, but the only way that I can—

Mr. McCUMBER. I will state to the Senator, so that there may be no mistake, that the shipment, I think, was to the Grand Trunk Railway, building up in the Northwest and in Canada. So he can meet the particular case.

Mr. PILES. As I understand you, this railroad company had asked for bids, and it accepted a Pacific coast bid.

Mr. McCUMBER. A Washington bid.

Mr. PILES. Do you know what mill it was?

Mr. McCUMBER. I do not know.

Mr. PILES. As I said, I know nothing of that particular transaction, and I can account for it only upon the theory that it must have been very large bridge timbers which the railroad company desired in the construction of its line, and our mills, being better equipped than the British Columbia mills to furnish material of that character, secured the contract.

Mr. McCUMBER. Mr. President, I do not like to disturb the Senator, if he wants to complete his address, but I think on that same subject I may ask him a question that he might also elucidate. I stated in my remarks the other day that at the present time, or near the present time, logs were probably a little higher on the British Columbia side than on the Washington side. The Senator declared, if I remember rightly, that there was never a time in which the logs were less upon the British Columbia side of the Sound than on the American side.

Mr. PILES. Never, that I heard of in my twenty-odd years' residence in Washington.

Mr. McCUMBER. I want to call the Senator's attention, so that he may give any explanation he sees fit, to an article which, whether true or untrue, is from the Vancouver Province, printed in Vancouver, I suppose, April 10, 1909. I find the following item with reference to the Fraser River mills. Will the Senator tell me where those mills are?

Mr. PILES. They are on the Fraser River, I presume, but I do not know their location.

Mr. McCUMBER. Near the Sound, is it not?

Mr. PILES. Yes.

Mr. McCUMBER. That is not in what the Senator calls the "mountainous district."

Mr. PILES. The conditions on Fraser River and on Puget Sound may be greatly different.

Mr. McCUMBER. Fraser River empties into Puget Sound, does it not?

Mr. PILES. Fraser River at the point the Senator is speaking of may be 150 miles or more from Puget Sound.

Mr. McCUMBER. In either case it discharges its waters into Puget Sound?

Mr. PILES. Into the Gulf of Georgia.

Mr. McCUMBER. I wish to call the Senator's attention to this article, which reads as follows:

Taking advantage of the dullness prevailing in the log market across the line, the Fraser River Mills Lumber Company has just purchased two and one-half million feet of fir logs at Bellingham, Wash. The price is considered quite satisfactory, being in the vicinity of \$9 per thousand.

The logs will be towed to the company's big plant at Millside, on the Fraser River, near New Westminster. Confirmation of the report was made to-day by Mr. A. D. McRae, of Winnipeg, president of the company.

I am well acquainted with Mr. McRae and know about his company, and I know that they own a large tract of a good many thousand acres' stumpage where their mill is located.

I assume that Mr. McRae, who has a mill upon that river and has his stumpage surrounding the mill, did not come over into Washington and buy American logs and tow them up to the mill to saw them unless he could get those logs cheaper on the American side than he could get them around his own mill.

Mr. PILES. It might be that there were no logs available near the mill at that time.

Mr. McCUMBER. I want to ask the Senator if it is not fair to presume that if Mr. McRae came over to the American side—and we know there are logs being sold around in that vicinity at all times—and purchased at that rate on the American side to take to his mill, he probably purchased them cheaper than he could get them on the Canadian side?

Mr. PILES. I will say to the Senator that that is probable, but not being acquainted with the facts I am not able to say that such was the case.

Of course, Mr. President, it will not do to take an isolated case and apply it to a principle or to a general market. It is probably true that the Fraser River manufacturer may have been able to buy at Bellingham in the depressed condition of the lumber trade cheaper than elsewhere. There may have been other conditions controlling in this transaction of which I know nothing, and I can not, therefore, discuss it without knowledge of the facts.

I may say in this connection that a number of our mills have shut down, while others are running on half time, because of the tariff agitation. This would, of course, depress the log market. And I may say, further, that if lumber goes to the free list British Columbia manufacturers will undoubtedly buy large quantities of logs from us and manufacture them into lumber, while our mills and our labor remain idle.

Mr. McCUMBER. I will say to the Senator that the reason why I call his attention to this fact is that in my address I stated that, as a rule, logs were more expensive upon the American side; but I stated also that I had been informed that at the present time or near the present time they were slightly higher upon the Canadian side, and the Senator at that time denied that they were ever higher upon the Canadian side than upon the American side. I called his attention to this fact to show that at least in all probability the price is higher at this time upon the British side than upon the American side. I did not go into the causes. I admit that the lumber business is dull at the present time.

Mr. PILES. Mr. President, it may be that the logs referred to were sold at the price mentioned, but that proves nothing. Isolated sales can not be taken as an indicator of a general market. I have never known of logs selling cheaper in Washington than in British Columbia, and I know that they do not. I spoke, of course, of a normal market. I had no reference to conditions as they exist to-day. Our manufacturers do not know what will be done here or what they may be able to do in the future. It is altogether a different situation. The advantage is now all on the other side. This is a fair index of what would happen with free lumber.

#### INTERESTS INVOLVED AND CHARACTER OF TESTIMONY.

Mr. BURKETT. May I ask a question right there? Is not this whole controversy between the men who have stumpage? The Senator has referred to the fact that the men who appeared here in favor of free lumber have owned stumpage in Canada. I have gone through this book—

Mr. PILES. Let us concede that, but—

Mr. BURKETT. I find that the men who have been here against free lumber are stumpage men.

Mr. PILES. Mill men; all classes of men.

Mr. BURKETT. Practically all of them are men who own large quantities of stumpage, and the more stumpage they have the more important this matter of a tariff to them.

Mr. PILES. All classes of men are protesting against the removal of the tariff.

Mr. BURKETT. They are men who have stumpage. It is a question of stumpage. It is not so much a question of lumber as it is of the man who owns stumpage. He realizes that

his stumpage may go up or down the way this bill comes out, and perhaps he has land over in Canada, and he is anxious about this matter. So far as the question of labor is concerned, as I have read this whole volume of hearings it does not appear anywhere that the question of labor is greatly concerned in this matter, but the men concerned are those who have the stumpage.

Mr. PILES. The Senator could not have heard the reading of the telegram that I received only a day or two ago from the secretary of the state federation of labor in the State of Washington, protesting in the name of 25,000 labor-union men against the reduction of the duty. He evidently did not hear the protest from the 14,000 laboring men who work in the shingle mills of Washington which I had read at the desk. Then let me go one step further—

Mr. BURKETT. Let me say to the Senator right there—because I do not want to be put in the position of not having heard those matters read—that I did hear them read, but it seemed to me so tardy in getting into this matter that it almost lost the evidence of being voluntary. I could not help but think that very likely they had been gotten together a good deal like a great many letters and telegrams we receive here are gotten together.

For example, let me illustrate: As one of the Senators here knows, he came to me the other day when I was contending against a proposition. I said, "My people are for this." The Senator said, "I can get the leading men of your State to send telegrams on the other side," and in ten hours he had half a dozen leading men of my State telegraphing on the other side.

Mr. PILES. Perhaps the Senator misunderstood the protests. The telegram is from the state federation of labor. The protest from the shingle weavers' union has been in the Senate files since last January. It has also been presented to the Committee on Finance for consideration. They made their protest early. No one can go to a labor union, a great organization of 25,000 men, and get telegrams and resolutions of the character submitted unless the facts justify the action, and the Senator from Nebraska knows it. Does the Senator think that the 25,000 men who have submitted their statements to Congress were induced to do so at the behest of stumpage owners? He will not say that the labor organizations have gone into such business as that.

Mr. BURKETT. No; I did not say that it had been wrung out of those men, but I did say that they were so tardy in getting their ideas before us that it almost makes us believe that they did not see the importance of it.

Mr. PILES. If the Senator had searched the record, he would have found them there months ago.

Mr. JONES. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to his colleague?

Mr. PILES. I do.

Mr. JONES. I should like to state, in reference to the proposition of the Senator from Nebraska, that before I entered this body, while a Member of the other House, I received petitions in great numbers protesting against the removal of the tariff on lumber. So they have not been tardy in presenting their views in reference to it.

Mr. PILES. Not at all. I have not had time to call the attention of the Senate to all the telegrams, letters, and resolutions from different organizations in the State protesting against the removal of the duty on lumber and asking for an increase of the duty on shingles. Last January the legislature of Washington memorialized Congress on the subject.

Mr. BURKETT. But the Senator only a few moments ago admitted that his State was the second largest stumpage owner on the Pacific coast and perhaps in the country, as the Senator from Minnesota [Mr. NELSON] has just suggested to me. I say after all it is a question of stumpage in which they seem to be more concerned.

Mr. PILES. Such is far from the fact. But suppose it is a question between the owners of stumpage in Canada and the United States; where does the Senator from Nebraska stand? I stand with my countrymen against all the world. I know, and everyone who studies this question must know, that the removal or reduction of the duty must in the nature of things add value to Canadian stumpage.

Mr. CRAWFORD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. PILES. I do.

Mr. CRAWFORD. Just a word on that point. I happen to be one of the Members from the State of South Dakota, and I am not willing to admit that the only issue here is between the owners of stumpage in Washington and British Columbia,

Mr. PILES. Neither am I, Mr. President. I will say to the Senator—

Mr. CRAWFORD. Now, if the Senator will permit me, I simply want to make in a word or two a statement of the situation which I think explains the reason why the Senators from South Dakota and Nebraska and Kansas and North Dakota and Minnesota and the upper Mississippi States are so earnest in protesting against the existing rate upon lumber, and particularly finished lumber. We are between the upper and nether millstones.

The stumpage is growing narrower and narrower every year in its area. Consequently, in the very nature of things it is becoming more valuable and the greater the scramble to secure it. The farmers are building barns in South Dakota and putting up houses over these prairies. The men from whom they are buying this lumber have divided all that territory up into districts.

Now, there can be no dispute about this matter. I may not be able to establish with specific concrete testimony that it is a trust and that they have articles in writing by which they are bound together, but it is a fact that they have divided up that territory and they have fixed one price. I do not care whether we inquire for prices from a dealer in Minneapolis, St. Paul, Duluth, in Wyoming, or at St. Louis, it is one price. There is one price list on the same day, and by individuals just so far apart as any shown in the statement of the Senator from North Dakota [Mr. McCUMBER] in connection with his remarks.

Now, can you expect that the great mass of the people who are buying this material, so absolutely necessary to them, are not going to protest when at both ends of the lines your stumpage, with an area growing narrower all the time, and the retail dealers in that commodity absolutely necessary, are united for the purpose of maintaining a higher price for the product?

I contend that there is something more here than a mere scramble between owners of stumpage. It is a condition by which the men out on the prairies are suffering, and it is not an idle protest that is uttered here. It is a protest from representatives who are trying to represent what is vital to their constituency that lies back of this protest.

Mr. PILES. I understand that, Mr. President, and yet if the Senator studies this question he must come to the conclusion that by putting lumber on the free list he is still narrowing the stumpage.

Mr. CRAWFORD. Mr. President—

Mr. PILES. I hope the Senator will pardon me; I must proceed.

Mr. CRAWFORD. Very well.

Mr. PILES. The Senator must see that if British Columbia deprives us of our market for our low-grade lumber we must waste it by leaving in the woods from 30 to 50 per cent of our timber and thus narrow our stumpage, for the more timber we cut from a given area the longer our timber supply will last. I prefer to see British Columbia waste her timber and her forests rather than to see our timber wasted by the loss of our market in whole or in part.

Mr. CRAWFORD. Mr. President, will the Senator yield to me?

Mr. PILES. I yield for a question.

Mr. CRAWFORD. My statement was in the nature of an interrogatory.

Mr. PILES. It was an argumentative inquiry, not a question.

Mr. CRAWFORD. I do not want to interrupt the Senator. He has been a long time on the floor.

Mr. PILES. I will yield to the Senator if he wants to make an explanation.

Mr. CRAWFORD. What I do not yet understand is how you are conserving your forests and how you are placing an inducement before your timber owners in Oregon to preserve their second-grade lumber, when you say the removal of the tariff will not make their commodity any cheaper than it is now or bring in less money.

Mr. PILES. Mr. President, I have explained that proposition thoroughly two or three times, and as I have been so long on the floor now I hope the Senator will pardon me from going into it again; as he will, if he does me the honor to read my remarks when they appear in the RECORD, find my views on this subject fully expressed.

#### CANADIAN ASSUMPTION OF THE TREND OF THE TARIFF.

Canadian manufacturers can easily drive us out of our domestic markets for low-grade lumber by reducing the price to the wholesale dealer in this country, and yet maintain the present price to the consumer.

I do not believe that the consumer will be benefited one penny if lumber is placed on the free list. I am of the opinion that the Canadian manufacturer and the wholesaler, and possibly,



the retailer, will absorb the amount of duty removed, and it is not improbable that the Canadian government would itself after a while absorb a part of the duty.

As an evidence of the fact that the Canadian manufacturer will absorb at least a part of it, I submit a proposed contract for the sale by a Canadian mill to an American wholesaler of certain lumber to be delivered at a later date in the United States. The proposed contract is as follows:

B. W. Arnold, president, Albany, N. Y.; W. J. Bell, vice-president and general manager, Sudbury, Ontario; J. O. Smith, superintendent, Spanish Mills, Ontario.

THE SPANISH MILLS COMPANY (LIMITED), MANUFACTURERS OF LUMBER AND LATHS.

SPANISH MILLS, ONTARIO, November 11, 1908.

EDWARD HINES LUMBER COMPANY, Chicago, Ill.

GENTLEMEN: We will sell you our 12 by 4 and 4 by 4 early cut Norway at Little Current, estimated at about 130 M 12 by 4 and 25 M 4 by 4, at \$14 pile run, with a mill culls tally at \$9; terms cash, less 1½ per cent if paid within ten days of date of shipment this fall. If lumber is not shipped this fall, it is to be paid for as cash without discount February 15, and you are to pay us pro rata insurance after that date; George D. Jackson to measure as long as satisfactory to both of us, we each paying half his measurement. The 12 by 4 to be measured on a piece tally and the 4 by 4 on the give-and-take basis. Final settlement at date of final shipment with interest either way, at 6 per cent per annum. In the event that this lumber shall remain on dock over winter and that all or any part of the duty now charged by the United States Government being taken off, you are to pay us an extra amount per thousand feet equal to half the amount of duty which was taken off; that is, if \$1 per thousand is taken off you are to pay us 50 cents per thousand additional to the above prices, etc.

Yours, truly,

SPANISH RIVER LUMBER CO. (LTD.),  
Per B. W. ARNOLD, President.

Accepted.

Mr. Hines declined to accept the contract and divide the duty, as the lumber market was very stagnant last November. This shows, however, whether the consumer or the manufacturer in Canada and the wholesaler will receive the amount of the duty removed or reduced. It is perfectly clear to me that by the removal of the duty on lumber we are presenting Canadian timber holders and manufacturers with the amount of whatever reduction we make, and thereby giving them the absolute control of our markets for a product manufactured very largely by oriental labor. I can not see how anyone who believes in the doctrine of protection to American labor can vote for a proposition which must inevitably bring about this result.

#### CRITICISM OF INTEGRITY OF TESTIMONY.

Mr. CLAPP. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Minnesota?

Mr. PILES. I yield to the Senator from Minnesota.

Mr. CLAPP. I should like to ask the Senator what company or firm it was which offered that contract?

Mr. PILES. The Spanish Mills Company (Limited), of Ontario, November 11, 1908. B. W. Arnold is the president of the company, J. O. Smith is superintendent of mills, and W. J. Bell is vice-president and general manager.

Mr. CLAPP. Is the Senator from Washington acquainted with those gentlemen?

Mr. PILES. I am not; but I have their original letter, and I also have the correspondence and telegrams passing between the parties.

Mr. CLAPP. Mr. President, at the proper time, or at least at some time—it may not be the proper time—I intend to submit some remarks on this question, and a portion of my time will be devoted to an analysis of the evidence and the methods by which evidence has been manufactured pro and con in this controversy. I do not think it would be amiss to suggest, in the absence of the Senator's knowledge of these men, that that evidence may be on a par with much of the evidence which we have unmistakable proof is simply manufactured for the purpose of this discussion.

Mr. PILES. Does the Senator say that this evidence is manufactured?

Mr. CLAPP. I do not know; but I do know, and the Senator knows, that the Cuban sugar schedule people are circulating, at their own expense, regardless of the interests of the consumer, petitions throughout this country for a reduction of the duty on sugar. It is none the less important, perhaps, that the sugar tariff should be reduced. We know that other people interested in other products are doing the same thing. I simply offer the suggestion that, in the absence of knowledge on the part of the Senator, possibly this evidence is entitled to no more credit than much of the evidence that comes to the desks of Senators and into this Chamber.

Mr. PILES. I submit the original correspondence to the Senator from Minnesota for his personal inspection and examination. I am satisfied that this is not manufactured testimony

on the part of those who oppose the removal of the duty on lumber. I have heard nothing of any testimony being manufactured on this or any other schedule in the bill, except the statement of the Senator from Minnesota. This correspondence took place in November, 1908. It appears to be a regular and ordinary business transaction. I submit the papers to the Senator for his careful examination.

Mr. CLAPP. As late as last November this proposed tentative tariff revision was in the minds of people pro and con.

Mr. PILES. Certainly.

Mr. CLAPP. And the fact that this comes down as late as that is no evidence whatever that it is not a part and parcel of this programme.

Mr. PILES. I am not one of those who believe that men with an established reputation for fair business dealings would be infamous enough to submit a fraudulent contract for the consideration of the Senate. If I thought that anything of that kind had been done, I would denounce in unmeasured terms the man who submitted this proposed contract for the consideration of the Finance Committee and of the Senate itself. I have no doubt in my mind but that this is a genuine document, and proposed in good faith.

Mr. CLAPP. I would not for one moment suggest that the Senator would knowingly use evidence of that character.

Mr. PILES. I understand that, and, knowing the Senator as well as I do, it is unnecessary for him to give me the assurance which he has.

Mr. CLAPP. Nor do I say that this evidence is of that character; but, in the absence of knowledge on the part of the Senator as to the high character of these men, I do suggest when we know day by day that we pick up letters in one envelope of some firm asking for a reduction upon one thing and inadvertently inclosing in that envelope a request for an increase of duty upon some other thing; when we see the action of the sugar interest, when we see the action of the tea interest, when we see these various efforts, so plain and palpable before us, of manufacturing evidence and manufacturing sentiment in this controversy—I do say that, as to a contract of that kind, we may ask, and well ask, if it is not a part and parcel of this general scheme.

Mr. PILES. Does the Senator from Minnesota know these gentlemen of the Canadian Spanish Mills Company?

Mr. CLAPP. I do not, and the Senator says he does not.

Mr. PILES. I do not know anything about them.

Mr. JONES. Mr. President—

The PRESIDENT pro tempore. Does the senior Senator from Washington yield to the junior Senator from Washington?

Mr. PILES. I do.

Mr. JONES. The Senator may intend to do what I desire to suggest; that is, put all the papers relative to that proposal in the RECORD.

Mr. PILES. I shall be very glad to do that at the proper time.

I wish the Senator from Minnesota [Mr. CLAPP], however, would examine into this matter, telegraph these people, and find out whether they did make this proposal. At any rate, Mr. Hines declined to enter into the contract.

Mr. CLAPP. If this had been prepared by the men who are combating this reduction they would not have entered into it; but it would have come as an offer to them without you or me knowing it, and it would have been used on this floor.

Mr. PILES. I imagine that no man in Canada will combat the removal of the duty on lumber in this country.

Mr. CLAPP. Not unless he has a large interest as an owner of American stumpage.

Mr. PILES. Mr. Hines is combating the removal of the duty on lumber. He is doing all he can against it.

Mr. CLAPP. Unquestionably.

#### THE DUTY ON SHINGLES.

Mr. PILES. Now, I wish to return to the subject of the duty on shingles, from which I was diverted some time ago.

All that I have said in respect to the difference in the cost of labor, price of stumpage, and the manufacture of lumber in the State of Washington and in British Columbia applies with equal force to the shingle industry.

About 438 mills in the State of Washington manufacture nothing but shingles. These mills cost from \$5,000 to \$15,000 each and employ from 10 to 30 men each. About 60 sawmills manufacture shingles as a by-product, out of that portion of the cedar log which is not suitable for lumber.

About 14,000 white men are employed in our shingle mills, with an annual wage of from \$10,000,000 to \$13,000,000, according to the output.

Our greatest output was in 1906, when it reached the value of \$17,000,000. From 75 to 80 per cent of this sum was paid to labor.

The Washington mills produce about 60 per cent of the red cedar shingles consumed in the United States. Approximately 70 per cent of the entire shingle consumption of this country is red cedar shingles.

When the Dingley Act was passed, in 1897, 30 cents per thousand pieces was considered ample protection.

The industry in 1897 was partially developed in the State of Washington, but undeveloped in British Columbia, our principal competitor. Canada at that time exported shingles, but her product came almost entirely from New Brunswick and Quebec. Since then great strides have been made in the manufacture of shingles in British Columbia on account of the large supply of cedar timber in that province.

On account of the lack of a market in this country, importations of shingles from eastern Canada declined from 1894 to 1897, inclusive, notwithstanding they were admitted free of duty under the Wilson bill. With the revival of business under the Dingley Act Canadian importations increased.

The total importations of shingles from Canada in 1898 amounted to 435,421,000, or 2,177 cars.

In 1908 our shingle importations from that country had increased to 987,266,000, or 4,936 cars. Of this number it is estimated that 4,000 cars came from British Columbia alone; 1,350 cars from British Columbia were entered at points on the Pacific coast and at North Portal, N. Dak.; the others, or 2,685 cars, went into New York State and other Atlantic points of distribution.

The fact that British Columbia shipped only about 6 cars of shingles into this country in 1898 and about 4,000 cars in 1908 shows how rapidly she is invading our shingle markets.

Our output increased from 1888 to 1905, when the product reached its maximum of 52,550 carloads. Since that year our output has declined materially.

The output for the State of Washington in 1905 was 52,550 cars of shingles; in 1906, 36,433 cars; in 1907, 34,443 cars; and in 1908, estimated at 36,000 cars.

Mr. BURKETT. Mr. President, if the Senator will yield—The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. Certainly.

Mr. BURKETT. It is contended that the reason of that is that Washington makes no shingles except in a small corner of the State, consisting, I believe, of three counties. It is contended that you use your timber for lumber; that the Canadians make better shingles; and that is why they get in. You make your shingles out of stumps, as the Senator explained the other day. To get good shingles we must get them from Canada. Let me ask the Senator this question before I sit down: Are not shingles all made by piecework?

Mr. PILES. No; they are in Canada mostly, but not with us.

Mr. BURKETT. I just wanted to ask that question.

#### CONTRASTS IN PRODUCTS AND PRODUCERS.

Mr. PILES. For the last three years our shingle manufacturers have kept a fairly accurate record of the percentage of idle time of the mills and of the employees, which record shows in 1906, 50 per cent idle time; in 1907, 54 per cent idle time; in 1908, 49.3 per cent idle time.

Chinese are used very largely in the shingle mills in British Columbia, as they become expert packers. Hindoos and Japanese are used for common labor. In many of the mills the only white labor employed is the filer, the engineer, and the foreman—all skilled labor.

The oriental labor receives less than one-half the wages paid in the United States, from 80 cents to \$1.25 per day, while we pay white labor in our mills from \$2 to \$2.50 per day.

Why did Congress pass the Chinese exclusion act? To protect white labor; yet the spirit of that law is being violated every day by the increasing importations from British Columbia of shingles made by the labor of Asiatics.

Senators who come from the agricultural States and who say that they believe in protection to American labor never had a better opportunity than now to vote for what they voice.

I have submitted irrefragable proof that Orientals can and do make lumber and shingles cheaper than white labor can or will make them.

I ask Senators to remember the resolutions of the shingle weavers' union adopted at the state capital last January. They call attention to the facts that a 30-cent duty is totally inadequate to protect them in their labor, or to permit the manufacturer to proceed with his business; that the steady increase in Canadian importations has meant a loss to the white workmen in the Washington mills of approximately \$1,000,000 per annum; that the shingle manufacturers in British Columbia are able to inflict this enormous loss on the wage-earners in the Washington mills by the employment of Asiatics, who compose

80 per cent of the working force in the British Columbia mills and who accept a much lower wage as compensation for their labor than American workmen can afford to accept for theirs; that the increase in the importations to the United States from British Columbia of Asiatic-made shingles is driving white workmen out of the Washington mills, and depriving them of the means of maintaining themselves and their families.

They show that they are idle a great portion of the time; that they are to a considerable extent engaged in producing shingles from fallen, fire-blackened, and other cedar that otherwise would be wasted; they maintain that the first consideration of the United States should be the welfare of its own people, and to this end they appeal to Congress to assist them in saving the shingle industry of the United States and to protect them in their wages by fixing a tariff of at least 50 cents per thousand on shingles.

It matters not, Mr. President, what others may say in an effort to refute the fact that from 75 to 80 per cent of the labor employed in the mills of British Columbia is Asiatic, and that they are paid a much smaller wage per day for the same character of work performed by white men in the State of Washington; the shingle weavers are acquainted with conditions on the coast, and with the wages paid in Washington and British Columbia. They have been compelled by reason of the depressed condition of the shingle industry to seek employment from mill to mill, and they know, from personal observation, the facts set forth in their resolution.

#### REASONABLE PLEAS FOR GOVERNMENT AID.

The shingle weavers are not "timber barons." They are plain, unassuming men engaged in a hazardous employment at a fair wage for only a part of the year. Their enforced idleness is due, not to any fault of theirs, but because our Government has not given adequate protection to the labor employed in this industry.

These men are not appealing for an opportunity to make a fortune, but for the mere privilege of working steadily in a branch of labor which they understand; and it would ill become us to deny their request in view of the showing that they make.

They appeal to Congress to give them that protection which they have voted for and for which we have proclaimed, from one end of the country to the other, that we stand.

Most of our shingle mills are in the country districts. Of the 100 in Whatcom County but 12 are located in the cities. The country mills are of small capacity and have to struggle for an existence. That the Senate may understand the character of them I submit herewith two pictures typical of the small mills in Washington.

Permit me to explain to the Senator from Nebraska wherein he is wrong in respect to the character of our shingles. I understood him to say we were manufacturing worthless shingles.

Mr. BURKETT. I took the Senator's own word for that.

Mr. PILES. The Senator is mistaken.

Mr. BURKETT. If I recollect aright, the Senator in the course of a discussion with the Senator from North Dakota said they made their shingles out of stumps, and admitted that they did not look as well, though really they were as good as Canadian shingles.

Mr. PILES. That is true.

Mr. BURKETT. I asked the Senator if there was not a demand for better looking shingles, and whether this demand for better looking shingles had not resulted in bringing in these 4,000 or 5,000 carloads of Canadian shingles.

Mr. PILES. Yes, their shingles are better looking than our second grades. They use Chinamen as packers. They are careful workers and put up a very neat package, but they make no better shingle than we do.

Mr. BURKETT. Then, I think what Washington needs is a little training in packing more than it needs a tariff.

Mr. PILES. No. We manufacture two grades of shingles, and thereby conserve our forests, while British Columbia manufactures but one grade. Fires have run through our forests to a very great extent. They have burnt and scorched a great deal of fine cedar timber. Much of this timber is not merchantable as logs, but we manufacture it into what we call second grade or "Star A Star" shingles. These shingles are sold on the market for less than our clear shingles, and in giving the purchaser a choice between the two grades we are conserving our forests; for if we manufacture annually 4,000,000,000 shingles out of the character of cedar I have described have we not saved that much timber which would have gone to waste? Does the Senator from Nebraska wish to discourage us in pursuing this plan of conservation? Our second-grade shingles will last just as long, but they are not quite so good looking as the clear shingles of British Columbia. Our shingles are made by white men while British Columbia shingles are manufactured by cheaply paid Orientals.



Mr. BURKETT. That is why I asked of the Senator a while ago if the shingle business was not a piecework business. To be sure, the Orientals earn less in British Columbia because they do less work. The Senator stated a moment ago that so far as Canadian work was concerned it was piecework. That is my information. I am also informed that is largely so in the State of Washington.

Mr. PILES. The man who does the piecework is a packer, as I understand it. That, however, is but a small part of the work. The packers are paid by the thousand, but the men who do the general work are paid by the day. Work of this character is performed by Orientals in British Columbia at from 80 cents to \$1.50 per day, which costs us from \$2 to \$2.50 per day.

It is evident to those familiar with the conditions concerning the shingle industry that unless the duty is increased we shall within a very short time lose our principal market for red cedar shingles.

#### FARMERS' INTERESTS; A PHASE OF CONSERVATION.

It is estimated that the small mills located throughout the country furnish a market to 2,000 farmers in my State for the shingle bolts which they cut in clearing and preparing their lands for cultivation. This market is of prime importance to them, as it costs from \$50 to \$100 per acre to clear logged-off lands in western Washington.

Some years ago, when our timber was wasted to the extent already referred to, our cedar trees were cut a considerable distance from the ground. The farmers, shingle-mill owners, and others engaged in supplying shingle bolts to the mills have gone over the logged-off lands in recent years, cut the cedar stumps down close to the ground, and split them into shingle bolts. They have also gathered up broken limbs and burnt and discarded portions of the cedar trees and converted them into shingle bolts. In this respect the shingle mills are a great aid to the farmers in clearing up their lands. If they do not operate, the farmer will be compelled to burn up his timber which he now converts into shingle bolts, and lose the money which he now receives from their sale.

Our shingle mills are the greatest conservators of our forests that we have. They conserve them in two ways: First, they afford a market for a waste product; and, secondly, they induce the removal of the material from logged-off lands which, if permitted to remain, becomes a constant fire menace to our standing forests.

Canada buys practically no shingles from us, but she continues year by year to increase her exportations into this country, while we are compelled by reason thereof to decrease our output, to the injury not only of our shingle manufacturers but to the detriment of the wage-earners in this particular industry.

#### PRESENT DUTY INSUFFICIENT PROTECTION.

In 1908 Canada sold \$2,376,394 worth of shingles in our markets, while she purchased from us in that year \$3,873 worth of shingles. During the last five years she sold in our markets \$9,353,074 worth of shingles, while she took from us during the same period \$56,913 worth of shingles. Seventy-five per cent of \$9,353,074 is \$7,014,805.50. Had we had reasonable protection on shingles this sum would have gone into the pockets of the shingle weavers of this country. Here, then, is an approximate loss of over \$7,000,000 to the shingle weavers in this country in the last five years.

Will any fair-minded man say, in view of the facts which I have submitted, that the duty on shingles should not be increased?

No one who is acquainted with the facts will deny that our mills are closed down from three to five months each year, and no one who is acquainted with the facts will deny that the men employed in this business were conservative when they stated, in the resolutions which I have submitted to the Senate, that Canadian importations are taking a million dollars a year out of their pockets.

My friend, the senior Senator from North Dakota, has asked that the duty on wheat be increased from 25 cents to 30 cents a bushel in order to protect the farmer. I have no objection to this. I am glad to see the farmer get such protection on his products as is necessary to protect him in his enterprise, but I do object to the effort that is being made here to reduce the duty on lumber and shingles, to the detriment of the wage-earners and manufacturers not only of the State of Washington but in all the lumber-producing States in the Union.

I find, from the tables which the Finance Committee has submitted showing rates and duties collected under the law of 1897, for the year ended June 30, 1907, that there were imported in the latter year for consumption 19,142.93 bushels of

wheat, of the value of \$16,586.10, while for the same year there were imported for consumption in the United States 883,767,830 shingles, of the value of \$1,940,892.77. Of the two commodities it would seem that shingles stand in greater need of protection.

#### COMMERCIAL AND LABOR SIGNIFICANCE OF SHINGLE MANUFACTURE.

Our output of lumber and shingles for 1906 was of greater value than the combined wheat, oat, and barley crops of either Kansas, Iowa, Nebraska, or Illinois for 1903. In 1906 we paid out in wages in the lumber and shingle industry a sum greater than the value of the combined wheat, oat, and barley crops of either Iowa, Nebraska, Indiana, Wisconsin, or Ohio for 1908, and greater than the value of the wheat crop of either North Dakota, South Dakota, or Minnesota for 1908.

Mr. President, the facts in this case call for relief. I have shown that British Columbia can manufacture both lumber and shingles cheaper than we can. She has the advantage in the price of labor, in the price of stumpage, in the water freight rate. It must be plain to all that if the duty be removed our California market is doomed.

There are, as I have said, over 500 American vessels on the Pacific Ocean, employing 11,000 men, prepared to transport lumber. Remove the duty from lumber and what do you do by way of encouragement to them? If upon the completion of the Panama Canal you do not put them off the sea, and the seamen off the ships, you greatly cripple their business. This question is entitled to serious consideration. It involves a great deal more than a mere contest between stumpage owners, as the Senator from Nebraska [Mr. BURKETT] seems to think. It involves the welfare of the 800,000 men employed in the lumber and shingle industries of the United States, as well as that of their wives and children. It involves our commerce on the sea. It touches the homes of half a million people in the State which I have the honor in part to represent.

In this view do you wonder that I press the subject upon the attention of the Senate?

Mr. President, I am done. I have imposed upon the indulgence of the Senate much longer than I intended to when I began this discussion. The importance of a correct solution of the question at issue, to the States of the Pacific slope in particular and to the country at large, is the only justification I have to offer for the consumption of so much of your valuable time.

Washington, Mr. President, is yet young. She will not reach her twentieth birthday until the 11th day of next November. It was my pleasure to see her grow from a Territory to a State. I have watched her progress with affectionate and, I trust, pardonable pride, since the days of early manhood.

I have seen her in the throes of a terrible panic, and in the midst of universal prosperity. Her people have at all times and under all conditions—whether favorable or adverse—maintained their faith in her future.

You may obstruct her onward march for a time by striking her principal industry a terrible blow; you may give her an army of idle or underpaid men; you may inflict upon her people an unreasonable and unjust loss, but you can not prevent the fruition of their hopes. Her future is secure. Nature has blessed her beyond compare, given her forests that can not be approximated elsewhere on the globe save in the States of the Pacific. She gave Washington the most picturesque of land-locked seas, which reaches back from the ocean into the very heart of the State. She gave her the greatest rivers of the West. Her soil is underlaid with coal and in her mountains are stored iron, copper, lead, and tin and all the precious metals. The water power of her rivers is rivaled only by the falls of Niagara. Her fields are burdened with grain and her orchards are bending with fruit. Her shores are washed by the waves of the greatest of oceans and her ports will become the principal transshipping points of the Occident and the Orient.

It is not the fault of her people that British Columbia, with her immense timber area, is not a part of the Republic, for the pioneers of the old Oregon country extended their settlements to the forty-ninth parallel of north latitude under very adverse conditions. They saved the timbered areas of Oregon, Washington, and Idaho as the heritage of all. Had it not been for their heroic efforts Canada would now own it all. It would ill become Congress to cripple or destroy our greatest industry, now that it has acquired value in the commercial life of our States.

We ask but for little—the protection of our property and our laboring masses against the unfair and unjust competition of Asiatic labor on both land and sea.

Mr. OWEN. Mr. President, I desire to offer an amendment, which I shall propose at the proper time, to the woolen schedule, paragraph 375, and to every other schedule where the duty is shown by our records to be prohibitive; and at the convenience of the Senate I desire to address it with regard to that subject-matter.

I should like to have the amendment entered on the face of the Record, so that it may be seen by the Members of the Senate.

The PRESIDENT pro tempore. The Senator from Oklahoma asks that the amendment be printed in the Record. Is there objection? The Chair hears none, and the order is made.

The amendment is as follows:

After the last line of paragraph 375 insert:

"That the rate fixed on all articles enumerated in this paragraph shall be reduced 5 per cent per annum of the rate fixed in this act, annually on June 30, for each of the next ensuing ten fiscal years; *Provided*, That if such graduated reduction shall cause a diminution of the annual revenue from any one or more of the above-enumerated articles, the President is authorized and directed to fix the rate on any such article or articles at the point at which such article or articles severally are found to have the greatest normal revenue-producing power, but not at a rate higher than the rate fixed in this act; *Provided further*, That the rate shall not be reduced or fixed below the point at which it would produce an amount equal to the difference in the cost of the production of any such article in the United States and abroad."

Mr. CULBERSON. I offer two amendments to the pending bill, and ask that they be printed and lie on the table. They are intended to put bagging and ties on the free list.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

Mr. BORAH. Mr. President, those who are members of the majority party in this Chamber and who are advocating an income tax do not concede that they are outside of party lines or that they are advocating policies or principles which are new or radical. We believe we are advocating policies and principles that are well accepted as a part of the faith to which we subscribe, and that we are advocating principles as old as the revenue laws of the United States. We advocate an income tax not as a temporary measure for the purpose of securing revenue for temporary purposes, but because we believe it should be a permanent part and portion of the revenue system of the United States.

I have reread within the last few weeks the cultured and faithful biography of John Sherman, written by one of the honored Members of this body. Although read with that object in view, I did not find that that great leader in his day was given to radicalism, socialism, or that he was often swung from his moorings as a conservative statesman. He was one of the steadfast and sturdy counselors of this country in a very trying hour. Long after the war had closed and after we had had the experience of an income tax for some several years, after we had known its benefits and its defects, its failures and its virtues, and after the necessity of maintaining it as a war tax had passed, this distinguished leader of his party, in 1871, said:

They have declared it to be invidious. Well, sir, all taxes are invidious. They say it is inquisitorial. Well, sir, there never was a tax in the world that was not inquisitorial; the least inquisitorial of all is the income tax. \* \* \* There never was so just a tax levied as the income tax. There is no objection that can be urged against the income tax that I can not point to in every tax. \* \* \* Writers on political economy as well as our own sentiments of what is just and right teach us that a man ought to pay taxes according to his income. \* \* \* The income tax is the cheapest tax levied except one.

Referring at that time to the bank tax.

Again he said:

It is the only tax levied in the United States that falls upon property or office or on brains that yield property, and in this respect is distinguished from all other taxes levied by the United States, all of which are levied upon consumption, the consumption of the rich and the poor, the old and the young.

Mr. Sherman at the same time declared in favor of the constitutionality of the tax and defended it against the assaults which are usually made against the income tax, because at that time the same arguments were used against the tax that are used to-day. You will not see even in the discussion now anything that was not foremost in the arguments against the tax at the time it was in existence.

Many years afterwards, and long after this tax had been repealed by the narrow vote of 1 in Congress, and upon an occasion when he was discussing in a general way the revenue system of the United States, he used this language:

The public mind is not yet prepared to apply the code of a genuine revenue reform. But years of further experience will convince the whole body of our people that a system of national taxes which rests the whole burden of taxation upon consumption and not one cent on property or income is intrinsically unjust. While the expenses of National Government are largely caused by the protection of property, it is but right to require property to contribute to their payment. It will not do to say that each person consumes in proportion to his means. That is not true. Everyone can see that the consumption of the rich does not bear the same relation to the consumption of the poor that

the income of the one does to the wages of the other. \* \* \* As wealth accumulates this injustice in the fundamental basis of our system will be felt and forced upon the attention of Congress.

It would be useless to amplify upon that statement of this great statesman and distinguished party leader. It states in a brief paragraph the whole contention of those who are to-day advocating an income tax, not, as has been suggested here, for the purpose of raising revenue for temporary purposes alone, but that it may become engrafted in and a part of—an inseparable part of—the general revenue system of the United States, in order that we may arrive as nearly as we can, as human ingenuity can make it, at a tax which is levied upon a man's ability to pay and in accordance with what he derives as a measure of benefit from his Government.

I am aware it will be said that Mr. Sherman voted against the income tax of 1894, but I have reread within the last few days the debate which occurred at that time, and especially the speech of Mr. Sherman, and he was careful to say that he himself had reread the speech which he had made in 1871, and that there was nothing in that speech which he desired to modify or in any way change; that he voted against the income tax at that time because of the details of the bill, and especially with reference to its exemptions, and also for the reason that he thought that at that time there was no necessity for it.

Senator Morton, one of the safe and conservative counselors of his party and his Nation, said upon one occasion:

State taxation in Indiana, and I undertake to say in every other State in the Union, has in it every inquisitorial feature that the income tax has. The income tax of all others is the most equitable because it is the truest measure that has been found of the productive property of the country.

And another great leader of that era used this language:

There is not a tax on the books so little felt, so absolutely unfelt in the payment of it as this income tax by the possessors of great fortunes upon whom it falls. There is not a poor man in this country, not a laborer in this country but who contributes more than 3, more than 10, more than 20 per cent of all his earnings to the Treasury of the United States, under those very laws against which I am objecting, and now we are invited to increase their contributions and to release those trifling contributions which we have been receiving from incomes heretofore.

In this connection I call attention to a later Republican leader. While he was not at the time specifically discussing the income tax, he was discussing the basic principles upon which that tax is based, and that is the obligation of property and wealth to the Government, which protects property and wealth. This is the language of Mr. Harrison, after he had retired from the presidency:

We live in a time of great agitation, of a war of clashing thoughts and interests. There is a feeling that some men are handicapped; that the race is sold; that the old and much vaunted equality of opportunity and of right has been submerged. More bitter and threatening things are being said and written against accumulated property and corporate power than ever before. It is said that, more and more, small men, small stores, and small factories are being thrown upon the shore as financial drift; that the pursuit of cheapness has reached a stage where only enormous combinations of capital, doing an enormous business, are sure of returns.

Again he says:

The great middle class of our people has never failed to respond to the fire alarm, though they have only small properties at risk, and these not immediately threatened. But there is danger that they will lose their zeal as firemen if those in whose apartments the fire has been kindled do not pay their proportionate share of the cost of the fire department.

The people who consider themselves as conservative upon the question of making revenue laws ought not to forget that this principle spoken of by the ex-President inheres in the discussion of all these matters, and that is that unless there is a corresponding obligation faithfully met there may arise that condition in the public mind which will unsettle not only the property interests, but the stability of the Government under which the property exists.

Again he says:

The plea of business privacy has been driven too hard. If for mere statistical purposes we may ask the head of the family whether there are any idiots in his household and enforce an answer by court process, we may surely, for revenue purposes, require a detailed list of his securities. The men who have wealth must not hide it from the tax-gatherer and flaunt it on the street. Such things breed a great discontent. All other men are hurt. They bear a disproportionate burden. A strong soldier will carry the knapsack of a crippled comrade, but he will not permit a robust shirk to add so much as his tin cup to the burden.

Again he says:

I want to emphasize, if I can, the thought that the preservation of this principle of a proportionate contribution, according to the true value of what each man has, to the public expenditures is essential to the maintenance of our free institutions and of peace and good order in our communities.

Mr. BEVERIDGE. I wish to ask the Senator if that is not General Harrison's speech at Chicago? Is it not the Chicago speech?



Mr. BORAH. It is a Chicago speech, but I apprehend that it does not take anything from it because it was delivered in Chicago.

Mr. BEVERIDGE. It might add something to it. I will ask the Senator if that speech was not devoted solely to the evils of all taxation—of people making false returns of their property? It was addressed to state taxation. It did not have anything to do, except as the Senator might draw inferences, with the income tax. Is that correct?

Mr. BORAH. I stated before I read the remarks that the ex-President was not discussing, specifically, the income tax; but I stated that he was discussing that which is the basis of the income tax, and that is the obligation of property and wealth to the State and to the Government. And the entire argument of the ex-President is as applicable to the income tax and its relations to the General Government as it is to the state government, to which he was specifically addressing his remarks.

Mr. BEVERIDGE. I have no quarrel with the Senator's inference from the speech, but I wanted it fixed upon the attention that that speech was specifically directed to what President Harrison thought were the evils in this country in all taxes, state and municipal, of men making false returns of their property, scaling it down, and so forth. I did not understand that ex-President Harrison was in favor of an income tax. I may be wrong about that.

Mr. BORAH. Mr. President, I would not be misunderstood, of course, in what I said as quoting the ex-President specifically in favor of an income tax, and I was only quoting him to the extent of the matter to which he was addressing himself.

But we are now asked, as an American Congress, to connive at the attempt of wealth to relieve itself from its obligation to government and the obligation which wealth owes to government.

As we contend—those who favor this measure—and as General Harrison said, it is but proper that wealth bear its fair proportion of the burden of government. It takes nothing from the argument of General Harrison to say that he had before him at the time the particular matter of state government or the obligation of property within a State, because he enlarged his address and included before he concluded the National Government and the obligation of property and wealth throughout the Nation both to the State and to the National Government. There can be no reason why the income tax should not become a law other than the reasons which were answered by General Harrison in his address before the Chicago Club.

Coming closer home, ex-President Roosevelt, in his message of December 3, 1906, which I read again for fear that it is not remembered, said:

The National Government has long derived its chief revenue from a tariff on imports and from an internal or excise tax. In addition to these there is every reason why, when next our system of taxation is revised, the National Government should impose a graduated inheritance tax and, if possible, a graduated income tax. The man of great wealth owes a peculiar obligation to the state, because he derives special advantages from the mere existence of government. Not only should he recognize this obligation in the way he leads his daily life and in the way he earns and spends his money, but it should also be recognized by the way in which he pays for the protection the state gives him. On the one hand, it is desirable that he should assume his full and proper share of the burden of taxation; on the other hand, it is quite as necessary that in this kind of taxation, where the men who vote the tax pay but little of it, there should be clear recognition of the danger of inaugurating any such system save in a spirit of entire justice and moderation. Whenever we, as a people, undertake to remodel our taxation system along the lines suggested, we must make it clear beyond peradventure that our aim is to distribute the burden of supporting the Government more equitably than at present; that we intend to treat rich man and poor man on a basis of absolute equality; and that we regard it as equally fatal to true democracy to do or permit injustice to the one as to do or permit injustice to the other.

\* \* \* The question in its essence is the question of the proper adjustment of the burden to the tax. As the law now stands it is undoubtedly difficult to devise an income tax which will be constitutional. But whether it is absolutely impossible is another question; and if possible, it is most certainly desirable.

I will read further from the ex-President's message of 1907:

When our tax laws are revised the question of an income tax and an inheritance tax should receive the careful attention of our legislators. In my judgment both of these taxes should be part of our system of federal taxation. I speak diffidently about the income tax because one scheme for an income tax was declared unconstitutional by the Supreme Court, while, in addition, it is a difficult tax to administer. In its practical workings great care would have to be exercised to see that it is not evaded by the very men whom it was most desirable to have taxed, for if so evaded, it would, of course, be worse than no tax at all, as the least desirable of taxes is the tax which bears heavily upon the honest as compared with the dishonest man. Nevertheless, the graduated income tax of the proper type would be a desirable feature of federal taxation, and it is to be hoped that one may be devised which the Supreme Court will declare constitutional.

I may say, I presume, without offense, here that the ex-President was and is a Republican, and that he shaped the destiny, molded the policy, and stood sponsor for the faith of his party

for at least seven years; and, in my judgment, without the policies which he advocated, the masterly leadership which was his, his party would have gone out of power ere this. And without continual adherence to those policies and a faithful husbanding of them the party will go out of power. No man is politically so shortsighted or politically so blind as the man who thinks that the steamer *Hamburg* carried away the policies and principles, the public interests, the aroused public conscience, and the searching inquisitive public concern which this remarkable man bequeathed to his countrymen.

Our present President, in his speech of acceptance, said:

The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment an amendment to the Constitution for an income tax is not necessary—

Whatever differences of opinion might possibly exist among men as to the President, very few will doubt his ability as a lawyer or his greatness as a judge—

In my judgment an amendment to the Constitution for an income tax is not necessary. I believe that an income tax, when the protective system of customs and the internal-revenue tax shall not furnish income enough for governmental needs, can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution.

The junior Senator from West Virginia [Mr. SCOTT] was quoted a few days ago as saying:

I favor a tax on incomes and also on the dividends of corporations. In my opinion, this is a just and equitable method of raising revenue for the support of the Government. The tax on individual incomes should be graduated. I would not tax an income as low as \$2,000 or \$3,000, or even \$5,000. I think the minimum income against which a levy is made should be \$8,000 or \$10,000, preferably the latter. To tax incomes of \$2,000 would be to assess clerks, small farmers, and mechanics, who now have a hard enough time to make ends meet.

Mr. SCOTT. Will the Senator allow me? If he is quoting me, that is partly true and partly not. I said if it became necessary in order to raise revenue, if this bill was not sufficient without putting a duty on tea and coffee and other necessities of life, first I would put it on the net incomes of corporations, and then, if it became necessary, on the incomes of individuals.

Mr. BORAH. Mr. President, I am very sorry the Senator corrected it, because it seems to me much better the way the newspaper got it.

Mr. SUTHERLAND. Mr. President—

The PRESIDING OFFICER (Mr. DIXON in the chair). Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. Certainly.

Mr. SUTHERLAND. The Senator read a moment ago an extract from a statement which had been made by the present President of the United States. Does the Senator understand from that that Mr. Taft believes in the constitutionality of a general income-tax law; in other words, that Mr. Taft believes that the law which the Supreme Court of the United States in the Pollock case condemned as unconstitutional is constitutional?

Mr. BORAH. Mr. President, of course I am not authorized to speak for the President. I only know what he said to the American people when he was a candidate for President of the United States, and that is that he was in favor of an income tax which would be drawn, as he said, in accordance with the decision of the Supreme Court of the United States. If we are correct in our interpretation of that—I do not know what his interpretation is—all we would need is the income-tax amendment which we now have before the Senate.

I am not willing to believe, however, that the President of the United States believes in drawing an income-tax law which would correspond to the decision in the Pollock case. I am not willing to believe that the President of the United States would advocate the proposition of putting an income tax upon men who toil in their profession, and of a limited number, and then say that the vast accumulated wealth of this Nation shall go without its burden of government.

Mr. BEVERIDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana.

Mr. BORAH. Certainly.

Mr. BEVERIDGE. Just for a moment. Referring to the opinion of ex-President Harrison on this subject, I thought I recognized, when the Senator read from his speech at first, that it was the Chicago speech; but I thought I remembered that in President Harrison's great speech, perhaps the greatest public address he ever made, which was the Carnegie Hall address in the campaign of 1896, he had referred to the income tax, and perhaps on some other occasion. Merely that his view may be known on this specific subject, I will read this one sentence, with the Senator's permission.

Mr. BORAH. Very well.

Mr. BEVERIDGE. Ex-President Harrison said:

So eager were our Democratic friends to put directly upon our people according to the English system taxes to support our Government that they passed an unconstitutional act in order to levy internal taxes and help out a tariff bill which had reduced the duties upon imports.

I have a general impression, though I do not know, that General Harrison was not favorable to an income tax as a system of taxation, except in case of an emergency; and that he agreed with the Supreme Court as to its unconstitutionality. His statement in his Carnegie Hall speech is not favorable to the tax. I merely pointed this out, without indicating my own position on this question, that the quotation might be perfected.

Mr. BORAH. Mr. President, I am sure I did not intend to do so.

Mr. BEVERIDGE. Surely not.

Mr. BORAH. I am satisfied that anyone who was listening could not conceive that there was any misrepresentation, because I said distinctly, and I state again, that Mr. Harrison was not discussing specifically the income tax. What I read was in support of the principle of the obligation of wealth and property to the Government, which we reach by an income tax.

Now, let us go back a little further, Mr. President. I have quoted some late authorities, because I am a little anxious that those of us who advocate an income tax shall not be considered in the light of advocating radical or new principles, not for the reason that I am opposed to a new principle, if I find it once in a while, but for the reason that it sometimes retards its movement through this body.

The man who was the father of the protective tariff system, who formulated it, in whose great mind it really originated in all its fullness, was the man who first gave to us the argument and the basic principles for an income tax. The first law of 1794, which brought up the question of what was a direct tax, was suggested, if not actually written, by Alexander Hamilton. While he was not in Congress, he was in a position where he had much to do with what was submitted to Congress by his party at that time, and he was its great adviser at all times. He advocated this tax for the same reason and upon the same principle that we advocate an income tax to-day, and that is, that there should be a tax upon property and upon wealth in connection with the tax upon consumption, and that it should all be one general revenue system. Though ill and broken in health when this question was presented to the Supreme Court, Mr. Hamilton nevertheless presented it upon the part of the Government, advocating not only the tax from the standpoint of its validity, but for the reason that it was right and proper.

He furnished the argument and submitted the legal proposition upon which the Supreme Court sustained that tax for a hundred years.

I am one of those, Mr. President, and there are thousands of them, who look upon Alexander Hamilton, all things considered, as the greatest intellectual force that ever dealt with the science of government. There was in all that he did that fascinating air of mysterious power, that indescribable force which moved with triumphant ease to its immeasurable purpose. His career was the most sudden, the most startling, the most brilliant, and the most masterly of all of his compatriots. And he was never greater, never more of a statesman and a patriot, than when he advocated the policy as a part of his general-revenue policy of laying a portion of the burdens of government upon property and upon wealth, along with consumption. He was charged in his day with being the special advocate of property and of property interests and of wealth, the minion of power, the advocate of royalty. He was in favor of a government strong enough and stable enough to protect the vested rights and the gathered fortunes of men against the passions and the prejudices of a day, but he did not belong to that shortsighted class of statesmen who, believing in protecting property and property interests, believe also in relieving property and wealth from its corresponding obligation to government. You will search in vain through the works of Alexander Hamilton to find any help or any argument which would enable you to relieve property and wealth from the obligation of meeting a portion of the burdens of government.

The first "income tax," so called, bore the name of Abraham Lincoln, and was supported by the great men who surrounded him upon that occasion.

I am not willing, Mr. President, for one, to concede that the policy which fixes the burdens of government upon property and wealth is not a Republican principle. I am not willing to concede, above all things, that there has been engrafted upon our constitutional power that which is an absolute exemption of property and wealth from the burdens of government. I am not willing to have it admitted that the Constitution, as made and framed by the fathers, was such as to exempt the great property interests of this country from the taxing power of

the Government even in the hour when the very exigencies of government may involve the life of the Government itself. Yet I say to you that if the Pollock case be the correct interpretation of the law, there is no exigency by which this Government can call upon the great property and wealth of this Nation to meet a portion of its burdens, even if it involves the very life of the Nation itself.

Those who believe that to be a policy of my party are welcome to the belief. I will not accept it.

I know that there are those who say that it is un-Republican and that it tends to incite men to perjury. I read an interview the other day by that distinguished American, always interesting and sometimes amusing, Mr. Carnegie. He said that it was not Republican, that its only result was to incite men to perjury. Well, Mr. Carnegie did not make the Republican party. I wish I was just as sure that the Republican party did not make Mr. Carnegie. I have read a thousand times, more or less, his protection utterances.

My first conception of politics was when I used to read the speeches of Mr. Blaine and Mr. Carnegie on protecting American industries. Mr. Carnegie told us time out of mind that he could not run his mills or manufacturing plants without the protection which he demanded. In view of the fact that he did run his mills after the protection was given, and accumulated wealth which he will not live long enough to distribute, it seems to me that the Republican party did make Mr. Carnegie.

I never have much use for a man who turns his back upon his own creator, which it seemed to me he did before the Ways and Means Committee. The only trouble about these deathbed confessions, Mr. President, is that "they seldom reach to restitution."

I favor an income tax not for the purpose of putting all the burdens of government upon property or all the burdens of government upon wealth, but that it may bear its just and fair proportion of the burdens of this Government.

We believe that every tax system based upon consumption should be supplemented by a system which taxes property and the wealth of the country; not for the purpose of inciting class feeling, but simply calling upon the great interests of the Nation to share that part of the burden of government for which they receive an unquestioned benefit.

I am aware it is often said that we will not be able to enforce the law. That is not the basis upon which we legislate or upon which we make laws with reference to taxation. In one of the great States of this Union I noticed some time ago that out of 107 estates which were then in the course of probating, those 107 estates had property to the value of \$215,000,000, and that they had never paid taxes at any time upon over \$3,000,000.

In another one of the States of the East the assessed valuation of the real estate is counted at \$2,000,000,000. The assessed valuation in that State of stocks, bonds, personal property, choses in action, and franchises is \$500,000,000. It is conceded that we do not reach over 20 per cent of the property of this country, so far as personal property is concerned. Yet I apprehend that it will not be urged and it will not be argued that we should repeal our laws with reference to the taxation of personal property upon the basis that those who should pay escape, for the logical result of that kind of programme would be that we would finally rest all the taxes upon the people who are honest enough to pay.

But I advocate it for another reason—and this will seem strange, I have no doubt, to some—and that is as a teacher of economy in public expenditures. For more than a hundred years we have been making speeches in favor of retrenchment and curtailing public expenditures, and as consistently and persistently voted the other way. It is a notorious fact in our political history that the Congresses at which the voice of retrenchment has been the loudest have been followed invariably by Congresses in which the appropriation was largest.

We knew when we met here last fall that we were facing a deficit. We knew that there was the cry going up all over the country that there should be a revision of the tariff downward, and we know that in the midst of universal peace and of prosperity we were actually contemplating putting a tax upon the necessities of life which we do not produce in this country.

If there was ever a time in the world when the voice of retrenchment should have been heard and heeded, it was at the beginning of that Congress; and yet we are told by the leader on the Republican side that Congress appropriated \$50,000,000 which we could just as well have left in the Treasury and without embarrassing the Government one particle. If that be true, what a fearful indictment of this Congress, and how futile it makes all the promises with reference to retrenchment.

I do not wish to be misunderstood. I have no kind of doubt but what the Senator from Rhode Island is entirely in earnest



and wholly sincere when he says that there should be and shall be retrenchment or the curtailing of public expenditure. If he shall succeed in that matter, he will be entitled to a vast amount of credit from the American people, and he will come very near demonstrating that the age of miracles has not passed. If he shall succeed in keeping the expenditures of this Government down to the present figure, he will still be entitled and still be accredited a great deal of honor for his work.

Even while he was speaking there wafted in from Boston the voice of our Secretary of the Navy, who told us that we must have another navy as large as the one we have. This sounds to me like discord. He must have spoken with authority. I am not about to discuss the question of the necessity of these ships; that is for another day; but I do say that if we are to build new ships and to continue to compete with the naval building of the world that expense should be visited to some extent at least upon the property and the wealth of this Nation.

If this is the part of retrenchment, if these expenses are to be met, can anyone contend that we should continue to impose that burden upon consumption? It may be necessary to continue to build these ships. It may be necessary to go on until we will be able to overawe the nations of the earth, and until, like the father of Frederick the Great, we are lonesome without the music of the sentry's tread. But if it be true that we must continue to do so, upon what basis and upon what theory can men say that the whole burden should rest upon the men who pay practically as much when worth \$500 as the man who is worth \$500,000,000? Take a part of the burdens off the backs and appetites of men and put it upon the purses of those who will never miss it, those who enjoy the pomp and circumstances of glorious war—without the war.

Mr. President, has the constitutionality of this tax been foreclosed? Is it an open subject for discussion, and is a fair presentation of the matter admissible?

Mr. LODGE. Before the Senator takes up that legal aspect of the question will he yield to me?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Massachusetts?

Mr. BORAH. I do, very gladly.

Mr. LODGE. It seems to me that in speaking of taxation falling exclusively on the consumer, the Senator does not appear to recognize the fact that the municipal and state taxation, which is very heavy—especially the municipal taxation—falls practically exclusively upon property.

Mr. BORAH. I was speaking, of course, with reference to the policy of the National Government.

Mr. LODGE. Certainly; but I am speaking of taxes paid by the American people as a whole, of all the taxes they have to pay; and under our system of States and Nation, direct taxes have been left in practice usually to the States and cities to local taxation. That taxation, which is extremely heavy in many cases, especially the municipal taxation, falls exclusively on property. I merely wish to suggest that I think that is one reason for the general policy, that has been pursued by the General Government from the beginning, of leaving the direct taxes and the taxes on property as much as possible to the States. That is the objection made to this form of inheritance tax, and I think soundly, because there are 32 States that impose an inheritance tax.

Mr. BORAH. Very well, Mr. President. I will only say at this time, in reply to that suggestion, that, of course, the general proposition which the Senator from Massachusetts [Mr. LODGE] states is true and correct; but we ought not to overlook the fact that while the taxgatherer for the municipality or the county is gathering his taxes, statistics show beyond a question that the man who has his farm or who has his property in sight pays a vastly greater per cent of even that heavy tax than the man who has money in the form of bonds, stocks, and so forth, which you would be unable to reach, which statistics show you are unable to reach, and it falls in the same way upon the man of limited means.

The tariff tax—and I am a believer in the American protective policy—reaches at last most heavily the man of limited means. It is passed from the importer to the general merchant, from him to the retail merchant, and from the retail merchant to the consumer. When you are taxing personal property, every cow, every horse, every animal, every piece of property that the man of limited means has is found, but the undiscovered millions locked in safe-deposit boxes never pay their proportion of taxes. I favor a system that will get them coming and going, if you can, for that is the only way you can get them at all.

I was going on to say, Mr. President, that, discussing the constitutional feature of this question—

Mr. BACON. Will the Senator permit me to make a suggestion?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. BORAH. I do.

Mr. BACON. I wish merely to suggest that it is also true that a very large part of the wealth of those whose property the Senator is now seeking to reach, or which this bill proposes to reach, is invested in securities which are not liable to taxation—bonds of the United States and things of that kind.

Mr. BORAH. That is true.

Mr. LODGE. Mr. President—

Mr. BACON. I mean under state laws.

Mr. LODGE. I will not interrupt the Senator if he objects.

Mr. BORAH. Not at all.

Mr. LODGE. It is undoubtedly perfectly true that a great deal of property escapes taxation; but I think the Senator is mistaken in saying—I judge only from my own State—that the state and city taxes fall on the poor man. In the city of Boston, which, I think, has about 110,000 or 120,000 registered voters, the taxes are paid by 18,000 persons.

Mr. BORAH. Mr. President, speaking with reference to the Senator's own State, I know that in one year not very far back the assessed valuation of real estate in that State was \$2,000,000,000, and of the personal property which was owned, all the stocks, bonds, notes, and everything else, only amounted to \$500,000,000.

Mr. NELSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. BORAH. I do.

Mr. NELSON. I want to call the Senator's attention to a fact in connection with the question suggested by the Senator from Georgia [Mr. BACON], and that is that while there seems to be an apparent inequity in the fact that you can not tax government bonds and state bonds, yet there is another side to the question that we ought to take into consideration, and that is that because such securities are exempt from taxation the Federal Government, the state governments, the county governments, and the municipalities borrow their money at a lower rate of interest than could be done upon any other securities. Take our government bonds, for instance, paying only 2 or 3 per cent interest. One of the reasons why those bonds can be sold drawing such a low rate of interest is the fact that they escape taxation.

Mr. LODGE. I did not suppose for a moment that all the property was reached. My proposition simply was that the taxes of the State and the city fall almost exclusively on property. I know that is the case in my own State, and the illustration I have given of Boston is indicative of the rest of the State. Such taxation falls almost exclusively on property. Of course the tax on real estate is the most direct kind of tax, and in Massachusetts we have an income tax as well as an inheritance tax.

Mr. BORAH. It is estimated that in Massachusetts they pay a tax upon 20 per cent of their personal property. That is the estimate of the tax commission for Massachusetts.

Mr. LODGE. But property bears it all, although some of it escapes; it is not fairly distributed, I quite admit. It does not fall on the poor man, but it falls on property in the State exclusively.

Mr. BORAH. The property, however, which escapes there would be reached by an income tax.

Mr. LODGE. We find great difficulty in reaching it with the state income tax, and I am inclined to think that it would be very difficult to reach it by a national income tax. I think a great deal would escape, and that which would escape would be the property of the dishonest who would be willing to make false oaths.

Mr. ROOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from New York?

Mr. BORAH. I do, very gladly.

Mr. ROOT. Mr. President, I wish to ask the Senator from Idaho whether it is not a fact that the personal property which escapes taxation—for example, the surplus of personal property in Massachusetts over and above \$500,000,000—does not escape, for the most part, because it consists of the stocks of corporations which themselves pay the taxes on their own property, so that to tax that description of personal property which consists of corporate stock would be to tax the same property twice? I know that is the case in New York, where we have a tax upon real estate and a tax at the same rate upon personal property; but we exempt from the tax upon personal property the stocks of corporations which themselves pay the tax. Of course, that is not really an escape from taxation, but is merely imposing upon the property which is represented by the stocks taxes in

the most convenient manner, because there is no property which is so certain not to escape taxation as the property of corporations. That kind of property is absolutely certain to be taxed and to be taxed to the full extent.

Mr. LODGE. If the Senator will allow me, that is certainly the case in Massachusetts, for under our laws the corporations are all taxed directly on their property of every kind, franchises and everything else, so that nothing which the corporation has escapes. They have to make an absolute return; they are taxed on everything; and they pay their tax direct to the State. That tax is subsequently distributed proportionately to the towns where the stock of the corporation is held; but the people who hold certificates of indebtedness and stock certificates of Massachusetts corporations are not taxed on those, because the tax is paid by the corporation direct to the State.

Mr. PAGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. BORAH. Certainly.

Mr. PAGE. I should like to ask the Senator from Massachusetts if it is not also true that the national banks pay the tax as banks as well as do manufacturing corporations?

Mr. LODGE. Yes; banks all pay. A banking corporation tax is collected by the State and distributed to the towns in proportion to the stockholders in the town.

Mr. BORAH. I am aware, Mr. President, that that has always been the argument of New York and Massachusetts. It was the argument which was presented and which Senator Sherman answered so fully in 1871. Mr. Conkling, who was in the Senate, I believe, and Mr. Sumner, from Massachusetts, contended that it was in effect taxing their property twice; that the great corporations in those States paid taxes upon their property, and thereby an income tax in effect would be double taxation.

Mr. HEYBURN. Mr. President, before leaving that subject—

The PRESIDENT pro tempore. Does the junior Senator from Idaho yield to the senior Senator from Idaho?

Mr. BORAH. Certainly.

Mr. HEYBURN. The Senator from Idaho must also remember that in Idaho we have an income tax on the net income of mines, and in the county in which I live we pay a tax on between three and four million dollars of income; and there has been no difficulty in getting at the income.

Mr. KEAN. Because it came from corporations?

Mr. HEYBURN. Oh, not at all.

Mr. BORAH. With reference to the question of double taxation, I submit these figures, and perhaps we can ascertain whether it was double taxation or not in the case of the 170 estates in the State of New York, to which I referred a few moments ago. They amounted to \$215,000,000 when they came to be probated, but they had paid taxes for a number of years preceding only upon \$3,000,000. I think, with their ability to conceal the property upon which they should pay taxes, they would be able to escape entirely double taxation.

Mr. LODGE. The Senator, of course, understands that the statement I have made applies only to Massachusetts corporations, since the stock of all other corporations—that is, those outside of the State, called, technically, "foreign corporations"—is taxed in the hands of the owner, no matter whether the corporations are taxed in other States as corporations or not.

Mr. BORAH. The argument against the income tax seems to be based largely upon the proposition that you can not enforce it; that you can not get at the proceeds, and so forth; and that it amounts in some instances to double taxation.

But, Mr. President, leaving that, if I may, I want to call attention to some legal questions in regard to this matter. We do not believe that the constitutionality of this tax has been finally and fully settled. I would not for myself trespass upon the patience of the Senate to discuss what I conceive to be a final adjudication of a constitutional question by the Supreme Court. I might differ in my views in my humble way; but I should not certainly undertake to discuss it if I believed, upon all the authorities, that it was in any sense a settled question in the Supreme Court. I am led to the conclusion that it is not settled by the record which is before us upon that proposition.

In the first place, we must bear in mind that during the hundred years which preceded the Pollock case 21 judges occupying places upon that high tribunal had decided in favor of an income tax and of its constitutionality or had given such definition to the phrase "direct tax" as would sustain an income tax. Against those 21 judges, in the whole history of the court, there have been but 5 judges during that entire period who dissented. In other words, 5 judges alone in the whole history of the Supreme Court, from its organization to the pres-

ent hour, have decided that an income tax was unconstitutional, while 21 judges have written opinions or joined in opinions to the contrary. Amongst those who have taken the view that an income tax is constitutional and that a direct tax relates only to land, capitation taxes, and taxes on improvements upon land, are the elder Chase, Patterson, Iredell, Wilson, Chief Justice Chase, Nelson, Grier, Clifford, Swayne, Miller, Davis, Waite, Hunt, Strong, Bradley, Jackson, Brown, Harlan, White, and Ellsworth. Perhaps I should say, in passing, as was said by the Senator from Texas [Mr. BAILEY] the other day, that Chief Justice Ellsworth did not actually participate in the opinion. He was only sworn in upon the day that the decision was rendered; but as a Senator from Connecticut he had advocated the exact law which the court was called upon to pass, and his views are known from his public record to be in accordance with its constitutionality; and I doubt not, knowing the law as he did and being familiar with it, that had he entertained a different view it would have been expressed upon that occasion.

Since the organization of that court every single writer upon constitutional law in America has adopted the view that a direct tax related alone to land and capitation taxes.

It is said sometimes that the Hylton case was dicta; that it was not really decided that a direct tax related to land alone and to a capitation tax, and yet it seems remarkably strange that one hundred years of constitutional literature, given to us by Sergeant and Rawle and Kent and Story and Cooley and Pomeroy and all the others whom I might name, never discovered in all that time that that decision did not settle that proposition. These students, in their rooms, analyzing the case, unmoved by expressions which might control their judgment, interested alone in finding out what the true meaning and intent of the Constitution was, have for a hundred years, without a dissenting voice, declared in favor of the validity of an income tax. I read from these authorities:

Cooley, in his Constitutional Limitation, says:

Direct taxes when laid by Congress must be apportioned among the several States according to the representative population. The term "direct taxes" as employed in the Constitution has a technical meaning and embraces capitation and land taxes only.

Mr. Justice Miller, who was long one of the ablest men who ever sat upon the supreme bench, says in his lectures upon the Constitution:

Under the provisions already quoted the question came up as to what is a direct tax and also upon what property it is to be levied as distinguished from any other tax. In regard to this it is sufficient to say that it is believed that no other than a capitation tax of so much per head and a land tax is a direct tax within the meaning of the Constitution of the United States. All other taxes except imposts are properly called excise taxes. Direct taxes within the meaning of the Constitution are only capitation taxes as expressed in that instrument and taxes on real estate.

Mr. Pomeroy, in his valuable work on constitutional law, says:

The court decided that this tax was not direct. The reasons given for the decisions are unanswerable and would seem to cover all the provisions of the internal-revenue law.

Mr. Hare says:

According to section 9 of article 1, paragraph 4, no capitation or other direct tax shall be laid except in proportion to the census or enumeration herein directed to be taken, while section 3 of the same article requires that representation and direct taxes shall be apportioned among the several States \* \* \* according to their respective numbers. Direct taxes in the sense of the Constitution are poll taxes and taxes on land.

Burroughs, in his work on taxation, under the head of direct taxes, said:

The construction given to the expression "direct taxes" is that it includes only a tax on land and a poll tax.

Ordronaux, in his work on constitutional limitation, says:

The two rules prescribed for the government of Congress in laying taxes are those of apportionment for direct taxes and uniformity for indirect. In the first class are to be found capitation or poll taxes and taxes on land. In the second, duties, imposts, and excises.

Black, in his constitutional law, says:

The Supreme Court has ruled that only land taxes and capitation taxes are direct, and no others. In 1794 Congress levied a tax of \$10 on all carriages kept for use, and it was held that this was not a direct tax, and so also an income tax was not to be considered direct. Neither is a tax on the circulation of state banks, nor a succession tax imposed upon their devolution or title to real estate.

Mr. Kent and Mr. Story fully ratify and fully indorse the doctrine of the Hylton case, but their suggestions are too long to be inserted here. No standard writer of constitutional law that I have any knowledge of has ever expressed a view at variance with the above principles.

When we come to the debate in 1894, we find that there were in the Senate at that time, as there always are, some lawyers of exceptional ability. During that entire debate there was no suggestion upon the part of any Senator that the Supreme Court of the United States had not time and again settled that question. There was no contention upon the part of anyone that



the law was not settled by the Supreme Court. The farthest anyone went was the then Senator from New York, Mr. Hill, who suggested that, while the court had decided it, the court might be induced to change its mind. It was considered at that time just as thoroughly settled and just as thoroughly embedded as a part of the constitutional law of this country as the doctrine of implied power under the Constitution. There was not before the people a suggestion at the time that law passed that it was not in conformity with the great charter.

When the matter was tested the first suit that was brought to test the constitutionality of the income tax was brought here in the District of Columbia. Ex-Senator Edmunds appeared upon the part of those testing the validity of the law. I learned from one of the attorneys who argued the case in favor of the law that, upon the first presentation of the case, ex-Senator Edmunds, one of the greatest constitutional lawyers in the country, admitted by his brief that the question had been settled by the Supreme Court, and that the only question open for discussion was that of its uniformity. After he had made an investigation in the interest of his client, seeking for whatever ground he could find to attack the law, he admitted by his brief that the authority which they now say was dicta followed by other cases had settled the question, so that it was not a debatable question in the Supreme Court. The real case in which there was a real controversy was dismissed, and then there was brought what, in my opinion, if I may be permitted to say so, was a moot case, and when I say "a moot case," I mean a case which both sides wanted decided in the same way. The stockholders in the New York corporation brought suit against the corporation to restrain it from paying the tax which was charged against it, and the corporation was just as anxious not to pay as the stockholders were to have them not pay. In that way this case was presented to the Supreme Court of the United States; and I undertake to say that there is not a lawyer in the Senate who would argue to-day that, as a matter of law, the Supreme Court had jurisdiction of that case. Why? Because it was an action to restrain the collection of a tax, indirectly it is true, but still within the statute.

It is a remarkable thing to my mind that a matter of such great importance, not only as a matter of settling the particular interests of litigants in that case, but of settling a great constitutional question, should have been presented to that court under the conditions it was. At least it is fair to presume that it might have been just as well presented had there been some one primarily concerned in sustaining the Constitution of the United States. I do not forget that the matter was finally argued by the Government.

Mr. BEVERIDGE. Is it not also true, though, that it was argued on behalf of the constitutionality of the law not only by Mr. Richard Olney for the Government, but by the man who at that time and for years before his death was called the king of the American bar, Mr. James C. Carter, of New York? The Senator has read his speech. It was a model argument.

Mr. BORAH. The Senator said "a model." A model of what?

Mr. BEVERIDGE. Model of lucidity, simplicity, and reasoning. I thought that the court should have decided it that way. But as the Senator has suggested, or was on the verge of suggesting—perhaps he did not mean it—that the case was collusive, I desired to point out to him that it was argued on behalf of the constitutionality of the law both by Richard Olney and the man who at that time, and I believe until his death, was regarded as the master lawyer of the American bar, Mr. Carter. I think those men would not lend themselves to anything of that kind.

They argued it very exhaustively. Mr. Carter made a most impressive argument in favor of the constitutionality of the law. I think that his argument was as powerful as that of Mr. Potter in the legal-tender cases. The point is that the lawyers argued it with great earnestness on both sides. Mr. Edmunds and Mr. Choate were the chief men against and Mr. Olney and Mr. Carter the principal lawyers for the constitutionality of the law. They were almost equal in ability and standing, but if anyone might be said to be greater than the other in legal reputation, it was Mr. Carter.

Mr. BORAH. Of course Mr. Carter needs no encomium from me. He was recognized as one of the greatest lawyers at the American bar for a great many years, and undoubtedly was, and in that connection I would ask the Senator to read his argument against the jurisdiction of the court. It reveals his adroitness in presenting a matter without committing himself as a lawyer.

Mr. BEVERIDGE. I have read it, and very carefully. No argument of Mr. Carter was ever printed of which I could get a copy that I did not read. He made the argument for the con-

stitutionality of the law. I said then that it seemed to me that that was the correct view to take.

I thought it proper to call the attention of the Senator to these points, that he might modify or soften his statement that the case was a collusive one. He will agree that men like Richard Olney and Mr. Carter would not lend themselves and their great reputations and their professional honor to a course of that kind.

Mr. BORAH. Mr. President, I do not desire to modify anything I have said. I am stating that which is a fact disclosed by the records of the Supreme Court, and that is that a case between actual contestants, after it was presented, was dismissed, and a case presented in the second place in which I think it will be conceded, at least, that the corporation was not over-anxious to pay the tax. Now, as to why it was done, I do not know. I do not think the fact that it was done reflects upon Mr. Carter or Mr. Choate or any of them. They were counsel looking after the private interests of their clients. They undoubtedly thought they could present the case in a better way after the dismissal of the real case and the presentation of the other. I do not suppose it is regarded as an imputation upon a lawyer's standing at the bar to present a case in that way; he is looking solely after the interests of his client.

But I think it would be better for the American people, who are primarily concerned in retaining the great taxing power of this Government, if it were presented by those who are primarily concerned and determined to uphold not private interests or corporate interests, but the interests of the American people.

Mr. SUTHERLAND. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. Very gladly.

Mr. SUTHERLAND. If the original case to which the Senator referred as being the real case had been presented to the court, who would have presented the argument in favor of the validity of the tax? Would it not have been the Attorney-General or his assistants?

Mr. BORAH. Possibly so.

Mr. SUTHERLAND. I think I am correct in suggesting that. The case which the Senator seems to think was a fictitious case was presented, so far as concerns the question of the constitutionality of the tax, by the same officers. Why was not the Government in as good a situation in the last case as it was in the first, if the same counsel who would have presented it in the first case did actually present it in the second?

Mr. BORAH. I learn from one of the counsel who presented the case upon the part of the Government in the second case that they did not in the first place deem it necessary to do more than call the attention of the court to the fact that it did not have jurisdiction of the case; that they supposed it would be practically a self-evident proposition.

I will say that I am not speaking without some facts to support the position which I take, and some more facts that I have not presented and which I do not propose to present.

Mr. BEVERIDGE. I merely want to ask the Senator a question for information, because it has been some time since I read Mr. Carter's argument. Is it not true that the argument made by Mr. Carter in the Pollock case was made as the counsel for an intervener? He was not counsel in the Pollock case, but he intervened for another party, which I believe was a trust company in New York; and if that is true, did not Mr. Carter use some such language as this—that he stood there representing one party who not only believed the tax was constitutional, but also that it was the best public policy to pay it? A large part of that very remarkable argument was based upon the proposition the Senator is now so eloquently advancing, that it was sound policy of government to measure the burden of taxation according to the ability to pay.

If that is true, if he was an intervener for such a trust company, and if he did state upon his professional honor that he represented a party which believed not only in the constitutionality of the law, but in the sound public policy of the payment of the tax, it might do something to remove the imputation of collusion. It is not necessary to my own mind, so far as concerns my own judgment upon the tax, to which I incline favorably under certain circumstances, to throw upon a great leading case the suspicion of collusion. I merely cite these facts.

Mr. BORAH. I am perfectly willing to concede that Mr. Carter made a far better argument in favor of the constitutionality of the tax than I could have made, or than possibly the Senator from Indiana could have made.

Mr. BEVERIDGE. Far better.

Mr. BORAH. Or anybody else.

Mr. BEVERIDGE. I desire to say with reference to that, that there are many eminent lawyers, especially Mr. Carter and

Mr. Edwards, to whom it would have been an honor to me to have been permitted to approach the footstool of their learning and to have sat like Saul at the feet of Gamaliel.

Mr. CLAY. I may have misunderstood the Senator from Indiana, but I thought I understood the Senator from Indiana to say that he was in favor of an income tax. Did I understand him correctly?

Mr. BEVERIDGE. I said I was inclined when that case was being argued, and at the time even when it was decided, to think it was constitutional. But when the Supreme Court decides a case it is sufficient for me, unless there exists a great emergency to call again upon the court to pass upon that question. I do not intend now to discuss the question, and I do not intend to interrupt the Senator from Idaho or to take his time. I stated when I called attention to a correction with respect to General Harrison's speech that I was not indicating my own views. At the proper time I shall do so.

Mr. CLAY. Do I understand the Senator from Indiana to say now that he is against an amendment to the tariff bill providing for an income tax. I understood the Senator to say—

Mr. BEVERIDGE. The Senator will find out how I stand when I vote upon that question. I do not know that I am called upon any more to be for such an amendment now, when a tariff bill is being made, than his own party was in 1897, when the Dingley bill was being made.

Mr. CLAY. Mr. President—

Mr. BEVERIDGE. I did not observe at that time that there was any particular heat upon the part of the Senator or his party for an income tax. I am for an income tax and an inheritance tax when there is a proper necessity. I am like the junior Senator from Iowa [Mr. CUMMINS], and I will quote him, although I do not quite go as far as he did, for his language was fervid, in saying that it is a crime to put upon the people an emergency tax if the present bill will supply sufficient revenue.

Mr. CUMMINS. I assume that the Senator from Indiana has not recently read what I said.

Mr. BEVERIDGE. No; but I heard what the Senator said, and if I have not quoted him correctly, I will be glad to be corrected, and will withdraw my quotation.

Mr. CUMMINS. He does not remember it correctly. I said it was an economic crime to collect money not necessary for the expenditures of the Government.

Mr. BEVERIDGE. The Senator said that when presenting his income amendment—

Mr. CUMMINS. Yes; I did.

Mr. BEVERIDGE (continuing). And he followed it immediately by saying that he would undertake to demonstrate, as a reason for his income-tax amendment, that the present bill did not afford sufficient revenue; and he preceded that statement by saying that if it did afford sufficient revenue—if the Senator from Rhode Island was correct in stating that the present bill supplied sufficient revenue—he thought it would be a crime to impose a tax where the revenues did not require it.

Mr. CUMMINS. The Senator from Indiana is still incorrect. What I said was—and I repeated it a moment ago—that if I had the rearrangement of these schedules, even though as reported now they would bring sufficient revenue for the Government, they would not, after such rearrangement, furnish that revenue, and that a portion of the revenue needed for public expenditures should be raised upon the wealth and the property of the country.

Mr. CLAY. Just a word.

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. CLAY. I just wish to try to find out how the Senator from Indiana stands on an income tax.

Mr. BORAH. I do not want to wait that long. [Laughter.]

Mr. CLAY. Just one minute. I saw in the public prints two or three weeks ago that the Senator from Indiana was one of the Senators on the other side of the Chamber who would probably vote in favor of an income tax, and that the Senator was in favor of a tariff commission. I wanted to know if it was true that the Senator was not only in favor of a tariff commission, but was also in favor of an income tax.

Mr. BEVERIDGE. I will say that if by any poor efforts of mine I succeed in getting a tariff commission or any body of experts created, a great deal of light will be thrown on this question in this Chamber which neither the Senator, myself, nor any other Senator, including the Senators on the committee, are capable of presenting. I was impressed with the statement—

Mr. CLAY. Mr. President—

Mr. BEVERIDGE. No. The question has been asked and I have answered it twice. I think I have the habit, when I have a position upon any question, of making it reasonably clear, and also of studying the question, and not being influenced

in my judgment, especially in my legal judgment, by any other consideration at all than the merits of the question. I think this about this question offhand: When a necessity is shown I am in favor of both an income tax and an inheritance tax, and I am for neither unless the necessity exists. If such necessity exists, then I am for an inheritance tax in preference to an income tax; and I am only in favor of putting an income tax up again to the Supreme Court, as to whether it shall reverse itself, when the necessity is manifest.

The Senator must remember that it is no light thing to overturn the rule stare decisis. For sixteen years there has been an increasing distrust of the courts.

Nothing could be done that would more increase the present suspicion of the courts than to call upon them to reverse themselves, immediately after two hearings, without a necessity shown for that course. Yes; and when, after perhaps the most thorough argument ever made in the Supreme Court of the United States, or in any other court, they have decided a question with reiterated emphasis. Everybody here who is familiar with those cases knows that, perhaps with the exception of the Legal Tender cases, never have any cases been so thoroughly argued. I think there were eight days of argument—eight days of argument by masters of the law, by the admitted leaders of the American bar and the bar of the world.

The Senator from Georgia proposes very lightly, without showing a necessity—I do not know why, but probably because of his devotion to the tax—to imperil the rule of stare decisis, and to put this question up to the Supreme Court when he has not yet shown that such necessity exists. I think, in view of what the Senator has said, I will do what I did not intend to do. I think that, later on, I will probably make a few remarks on this subject. [Laughter.]

Mr. CLAY. With the permission of the Senator from Idaho, the Senator from Indiana says that if a tariff commission is created by the House and the Senate and if it is provided for by the law of the land, it will give a great deal of light upon this subject. If it does not give any more light on this subject than the Senator has given the Senate as to how he will vote on an income tax, we will certainly be left in darkness.

Mr. BEVERIDGE. I do not expect by any—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I yield for a moment.

Mr. BEVERIDGE. It will be sufficient. I do not expect by any possible process to take the Senator from Georgia out of darkness upon this question. The Senator heard the remarks, the startling remarks, this afternoon of the Senator from Minnesota, who spoke, and spoke seriously, about "manufactured evidence" as to a certain schedule in this bill. A tariff commission would have settled the question as to whether it was "manufactured evidence" or not. I have stated to the Senator twice precisely how my mind is at present upon this question. I have done it twice. After I had done it once I did it again. That was twice. That is sufficient.

Mr. CLAY. Mr. President, if the remarks—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. BORAH. I do. I want this matter settled to-day. [Laughter.]

Mr. CLAY. If the Senator's remarks are not more definite when he speaks upon the income tax than they are to-day, I am fearful I shall not get much light.

Mr. BORAH. Recurring to the subject which was under discussion, it seemed to be inferred that when I said that this was a moot case that I was charging that there was collusion. I have only called attention to the record, which is disclosed by tracing the contest against the income tax until it was finally decided. I have not been content with that, however. I have gone to those who were participants in that matter and have secured some information which I do not see fit to use, because it is not a matter of record. But I do not wish to be placed in the position of modifying what I have said or of apologizing for what I have said, because as a lawyer I am not afraid to say it—that no case has ever been entertained before upon the allegations which were contained in that petition, and none ever has been entertained since in the matter of thus questioning the validity of a tax. Every lawyer knows that the atmosphere in which a case is presented is sometimes worth something.

It was one of the peculiar things connected with this case, which involved a vital power of government, that before the Government of the United States could get in it had to ask to come in after the case had been made up by private interests. Whatever inferences may be drawn from that may be drawn here or there. All I intend to say and all I propose to say, and the only inference which I would have drawn or which I seek



to have drawn, is the fact that the case was presented under these peculiar and extraordinary conditions.

Mr. HALE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Maine?

Mr. BORAH. Certainly.

Mr. HALE. The Senate has been in session for about six hours. I desire to ask the Senator upon the floor whether he desires to go on further to-night or would he prefer to wait until to-morrow?

Mr. BORAH. Personally, I would prefer to wait until to-morrow, but of course I yield to whatever the Senator suggests in regard to it. It is obvious we can not close at any reasonable hour to-night.

Mr. HALE. The Senator does not expect to close to-night?

Mr. BORAH. No; I hardly think I can at this late hour.

Mr. HALE. Will he yield for a motion?

Mr. BORAH. Certainly.

Mr. HALE. I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 52 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, May 4, 1909, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

MONDAY, May 3, 1909.

The House met at 12 o'clock noon.

Prayer by Rev. Frederick William Hamilton, D. D., LL. D., president of Tufts College, Massachusetts.

The Journal of the proceedings of Thursday, April 29, was read and approved.

### WITHDRAWAL OF PAPERS.

Mr. SOUTHWICK, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of George Hallenbeck, Sixtieth Congress, no adverse report having been made thereon.

### LEAVE OF ABSENCE.

Mr. STURGISS, by unanimous consent, was granted leave of absence for one week on account of important business.

### THE CIVIL SERVICE.

Mr. HAY. Mr. Speaker, I desire to call up a privileged resolution.

The SPEAKER. I will ask the gentleman to withhold it for a moment.

### ALASKA-YUKON-PACIFIC EXPOSITION.

Mr. HUMPHREY of Washington. Mr. Speaker, I ask unanimous consent to have read the following invitation to the Speaker and the Members of the House of Representatives to attend the Alaska-Yukon-Pacific Exposition.

The SPEAKER. Without objection, it will be read and printed in the RECORD.

There was no objection.

The Clerk read as follows:

SEATTLE, April 27, 1909.

Hon. W. E. HUMPHREY,

House of Representatives, Washington, D. C.

DEAR MR. HUMPHREY: On behalf of the officers and directors of the Alaska-Yukon-Pacific Exposition, I desire to extend, through you, to the Speaker and the Sixty-first Congress a most cordial invitation to attend the opening ceremonies of the Alaska-Yukon-Pacific Exposition, on June 1 next.

If, owing to Congress being in session at that particular time, it is impossible for it to attend the opening, we would earnestly request the honor of its presence, individually or collectively, at the earliest date possible thereafter.

Very truly, yours,

J. E. CHILBERG, President.

### SULPHATE OF AMMONIA.

Mr. CLAYTON. Mr. Speaker, I desire to ask unanimous consent to have printed in the RECORD a letter from Mr. J. W. Huger, of Montgomery, Ala., relative to the duty on sulphate of ammonia, which is used largely in the composition of commercial fertilizers. Under the bill as it passed the House sulphate of ammonia was put on the free list, unless the countervailing provision of the bill operated to the contrary.

The duty on this article was \$6 per ton under the Dingley bill. The Payne bill put it on the free list, as I have said, while it is proposed now, as I understand it, to put a tariff tax of \$4 per ton on it. The reasons why this should not be done are stated fully in the letter of Mr. Huger, which is in the following words:

ALABAMA CHEMICAL COMPANY,  
Montgomery, Ala., April 27, 1909.

Hon. HENRY D. CLAYTON,

House of Representatives, Washington, D. C.

DEAR SIR: We see that under the Dingley bill the duty on sulphate of ammonia is \$6 per ton, and that it was put on the free list by the

Payne bill, but, however, was restored to the dutiable list under the Senate bill, the amount being \$4 per ton.

Sulphate of ammonia is largely used by the farmers as a source of plant food, and is imported into this country, and is only made by a few steel works and coke manufacturers. It strikes us that the steel, coke, and gas people already have sufficient protection, while the farmer needs it badly. However, you can doubtless get all the information necessary as to the amount of sulphate of ammonia produced in this country, which is not an "infant industry," as the great big steel companies that own coke ovens generally make it as a by-product. It would just fix the price higher to the farmer in this country by putting a duty on it, and would permit the packers in the West, that make blood and tannage, and the nitrate of soda manufacturers in Chile to place a higher price on nitrate of soda, as all these materials enter into competition.

In 1907 there was imported 32,638 tons of sulphate of ammonia at a duty of \$195,000, and in 1908 there was imported 34,224 tons of sulphate at a duty of \$205,000. There is no reliable statistical record of the amount produced in this country, but it is estimated at from 30,000 to 40,000 tons. In 1908 Great Britain without protection produced 314,000 tons of sulphate of ammonia, exporting three-fourths of it, and what Great Britain can do in the production of sulphate of ammonia without tariff this country certainly should be able to do, for little or no skilled labor enters into its production.

Georgia, as you know, consumed approximately 800,000 tons of fertilizer in 1908, requiring 32,000,000 pounds of nitrogen, worth \$8,400,000, at going market prices. Alabama consumed about one-third of this quantity, so you can readily see that it is very essential that our people should have as cheap ammonia or nitrogen from every source as is possible.

We also advise that the committee is thinking of putting a duty of 50 cents per ton on pyrites ore, which is usually imported from Spain. This ore is used by the fertilizer manufacturer to make sulphuric acid, which is then treated with phosphate rock, the resultant being acid phosphate. There are only two or three deposits of pyrites in this country that we know of, some small deposits in Clay County, Ala., where the ore runs very low, and some up in Virginia, where it is also very low. If the deposits in Alabama were worked to their full extent, where you put \$2 per ton on imported pyrites they would be developed to such an extent that they would probably mine enough ore to furnish a half dozen fertilizer factories, while all the other factories would have to suffer, and hence charge a higher price for their fertilizers. Therefore we wish that you would also use your influence to see that this duty is not placed on pyrites ore, which is generally imported from Spain.

With personal regards,  
Yours, truly,

ALABAMA CHEMICAL CO.,  
J. W. HUGER, President.

### THE TURKISH EMPIRE.

Mr. WANGER. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. WANGER. I ask unanimous consent for the present consideration of the joint resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent for the present consideration of the following joint resolution, which the Clerk will report.

The Clerk read as follows:

### House joint resolution 53.

Resolved, etc., That the grateful appreciation of the American people be, and hereby is, expressed and the President requested to convey information of the same to the people of the Turkish Empire that the revolution they have just effected assures to them the precious safeguards of constitutional government and freedom, and that the triumph is unmarred by the execution without due process of law of the venerable Abdul Hamid or by any wholesale slaughter of residents of Constantinople, and of our best wishes for their peace and prosperity and enjoyment in largest measures of all the blessings of civilization.

2. That the President be further requested to inform His Imperial Majesty Mohammed V of the friendly regard of the Government and people of these United States for him, his Government, and people, and our earnest hope and firm confidence that among the earliest achievements of his reign will be the complete restoration of order throughout his realm and elimination of the appalling atrocities upon Christian missionaries and other non-Moslems which thrill with horror the civilized world.

Mr. PAYNE. I think such a resolution ought to go to a committee. I am not exactly satisfied in my mind whether the recitals are all true, and therefore I shall have to object.

### THE CIVIL SERVICE.

Mr. HAY. Mr. Speaker, I call up the privileged resolution which I sent to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

### House resolution 63.

Resolved, That the President of the United States be requested to direct the United States Civil Service Commission to furnish to this House the following information:

The number of employees and officers of the United States now employed in the different departments of the Government appointed through and subject to the civil-service law and regulations.

The number of employees and officers of the United States now employed in the different departments of the Government who are in the classified civil service by virtue of executive order.

The number of persons now in the classified civil service from each State and Territory and the District of Columbia, taking care to show the number from each State and Territory and the District of Columbia now actually employed as differentiated from the number of such persons who have been appointed.

The SPEAKER. Does the gentleman call it up as a privileged matter?

Mr. HAY. I do; yes, sir.